Aged Residential Care

INDUSTRY PROFILE 2019-20

New Zealand
Aged Care Association

Contents

Any questions or comments,
please contact the author:

John McDougall
Data Analyst
New Zealand Aged Care Association
john@nzaca.org.nz

Key points

1. At March 2020, NZACA member care facilities provide 91% of the total 39,767 ARC beds.

2. 49% of all New Zealand ARC facilities are operated as part of a major group of care facilities, 50% are individual/ minor group facilities, and 1% are owned by DHBs.

3. Dual service beds are the largest bed category at 36%. Dedicated rest home beds constitute 24% of the supply, dedicated hospital beds 17%, and ORA beds 9%.

4. The median number of beds in care facilities is continuing to increase and now stands at 57 beds

5. There were 34,646 residents at ARC facilities on 31 March 2020, 55% of whom are at one of the higher care levels.

6. Average occupancy is 87.1% Over the year to March 2020 there has been a 0.7% decrease in occupancy rate.

7. Rooms carrying accommodation supplements make up the majority of rooms provided (59%). The median size of these is 18m^2, compared to 12m^2 for standard rooms.

8. Turnover of registered nurses (RNs) over the year to December 2019 is 33%, and of caregivers 23%.

9. The percentage of RNs on a visa is 39%, and of caregivers 40%.

10. The Philippines (41% of RNs, 35% of caregivers on visas) and India (32% of RNs and 26% of caregivers on visas) are the main countries of origin for ARC workers on visas.

Introduction

We are pleased to bring you the Industry Profile 2019-20 for the aged residential care (ARC) industry.

This highly regarded resource contains a wealth of information, including data on bed, resident, and occupancy numbers, the ARC workforce, remuneration, immigration, and much more.

The Industry Profile is brought together from the comprehensive NZACA Member Profiling Survey and the TAS Quarterly Bed Surveys, along with a range of other sources.

Over the past few years, the NZACA's data and insight base has been growing and strengthening. It gives the Association a strong evidence base to support our advocacy work, for example, for the annual price negotiation, matters relating to workforce and immigration, or for our 2020 election campaign in support of fair pay for ARC nurses.

We know our members find the Industry Profile a relevant document for both planning and day to day use in their own businesses. Government agencies, namely the Ministry of Health (MOH), DHBs, the Ministry of Business, Innovation and Employment (MBIE), and the Ministry of Social Development (MSD), also use the report to inform their own policy development, while academics, researchers and others also find the data and insight helpful.

There is a lot that lies behind the data, with much more in-depth analysis available on request. If you would like more detail on any of the subjects canvassed in the report, then please direct your enquiries to John McDougall, Data and Insight Specialist at the NZACA.

SIMON WALLACE
CHIEF EXECUTIVE

Data sources and representation

This report presents a profile of the ARC industry as it stands in late 2019 and early 2020, combining information drawn chiefly from two surveys - the December 2019 NZACA Member Profiling Survey (herein known as the NZACA Survey) and the March 2020 TAS ARC Provider Quarterly Reporting Survey. Other data sources are also used, these are cited in the report.

This volume continues a series of reports by the NZACA that began in 2005. While there is discontinuity in the time series (no comprehensive member profiling surveys were carried out in 2015 and 2016), the NZACA Survey allows for long-term trend analysis. This ARC Industry Profile report marks the twelfth time that NZACA has carried out a comprehensive survey of its members, spanning a fifteen-year period.

TAS ARC Provider Quarterly Reporting Survey

TAS Kahui Tuitui Tangata (trading name of Central Region Technical Advisory Services Limited) collects bed, resident and occupancy information from all ARC provider homes on a quarterly basis. It is a contractual requirement, under the ARRC Services Agreement, for ARC providers to report their bed and resident numbers to TAS. Since September 2013, this data has been collected and collated by TAS. The bed and resident numbers are collected as at 10pm on the last day of the March, June, September, and December quarters. The March quarter 2020 data, which is the focus of this report, was collected based on care facility status as at 10pm on Sunday, 31 March 2020.

The NZACA prepares a brief report for members on each Quarterly Reporting Survey. This is published in its newsletter for members, In Touch.

NZACA Member Profiling Survey

The NZACA Member Profiling Survey series began in 2005 and has been carried out in most years since. Up to 2014 the survey was carried out annually. There was a hiatus in 2015 and 2016 when it was replaced by surveys which gathered information on employment and carer hours required to inform pay equity modelling and negotiations. The survey was again delivered in December 2017, and December 2019. NZACA now intends to carry out the survey every two years to avoid over-surveying members.

The questions asked vary between survey, depending on the information required to support the NZACA's current policy and advocacy work, while keeping the burden on respondents within bounds. To make space for new questions, the 2019 survey did not include the series questions required to calculate care hours per resident per day. From comparing estimates based on previous surveys we know these coefficients are reasonably stable over time. For the convenience of the reader we have included the December 2017 estimates of care hours in the present volume.

The survey instrument was largely developed in-house by the NZACA, with advice from Colmar Brunton. Colmar Brunton was contracted by the NZACA to administer the data collection phase of this survey.

For care facilities in New Zealand to be included in the member sub-sample, they had to be a current financial member of the NZACA and be certified and currently providing ARC in New Zealand. In November 2019, 559 eligible NZACA members were invited to participate in the survey using the survey tool distributed by Colmar Brunton. Responses to the survey covered 67% of member care facilities. (Table 1.1), or 56% of all ARC facilities in NZ (i.e. including non-members).

Table 1.1: 2019 responses compared to NZACA membership and the industry

	Survey response number	NZACA Membership		ARC Industry at Dec 2019	
		Number	Survey as % of NZACA members	Number	Survey as % of industry
Facilities	373	559	67%	667	56%
Beds	26,654	36,079	74%	39,568	67%

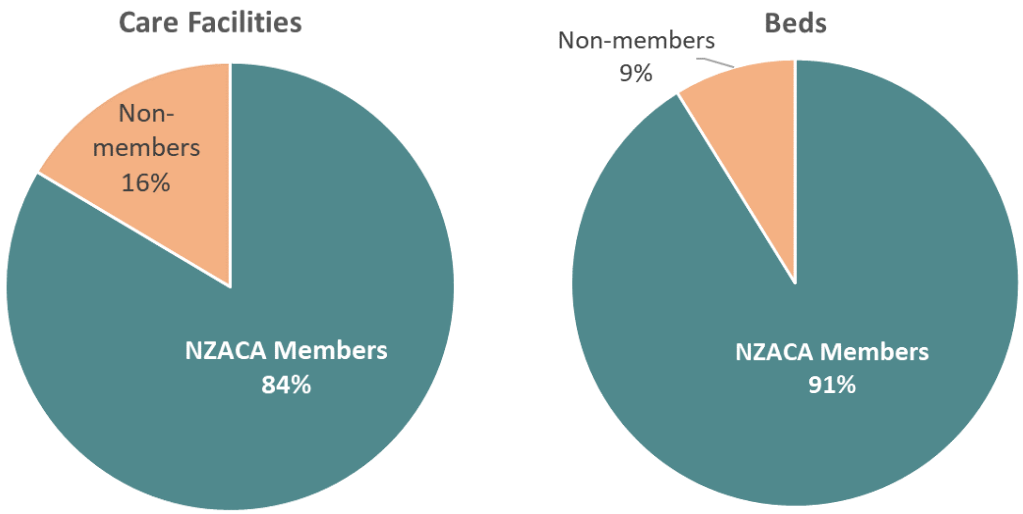
Representation rates from the NZACA survey for each DHB regional are shown in Table 1.2.

Table 1.2: Response rates for the NZACA Members by DHB

DHB	Member Responses	Member Care Facilities	Member Response Rate By DHB
Northland	8	19	42%
Waitemata	34	49	69%
Auckland	27	50	54%
Counties Manukau	20	32	63%
Waikato	27	48	56%
Lakes	7	12	58%
Bay of Plenty	22	31	71%
Tairawhiti	4	5	80%
Taranaki	13	21	62%
Hawke's Bay	12	23	52%
MidCentral	25	32	78%
Whanganui	5	8	63%
Capital and Coast	22	32	69%
Hutt Valley	10	14	71%
Wairarapa	7	12	58%
Nelson Marlborough	10	21	48%
West Coast	3	4	75%
Canterbury	43	78	55%
South Canterbury	11	11	100%
Southern	29	57	51%
Note: One responding major group did not provide any data at a facility level so is not included in the DHB level analysis			

The NZACA's members' share of total ARC facilities and bed supply is illustrated in Figure 1.1.

Figure 1.1: NZACA share of aged residential care industry



Base: all ARC facilities

2019-20 report outline

- Relative contribution to the ARC industry in terms of facilities and beds by care homes in various types of ownership.
- Beds: trends in service provision and care facility size, current service mix of beds, trends in supply of ORA beds, and comparisons across DHB regions.
- Residents: current split by care level and trends in this, comparisons across DHBs, trends in split between subsidised and private paying residents.
- Occupancy: long-term trend in occupancy, trends in percentage of care facilities at full occupancy, and comparisons across DHBs.
- Premium room services and ORAs: percentage of care facilities offering premium rooms, median accommodation supplements, trends in the supply of premium vs standard rooms, size of rooms, and provision of ORA beds.
- ARC workforce: split of staff between care and non-care categories, turnover by staff category and changes in this, vacancy rates by staff category.
- Immigration: percentage of staff on work visas, contrasts between DHB regions.
- Remuneration: pay equity survey data on split between caregivers and activities coordinators by pay band L0–L4, distribution on wage rates in each staff category.
- Hours per resident per day: lower quartile, median and upper quartile results on hours per resident per day for registered nurses, caregivers etc.
- Topical issues: Certification period statistics; passing on of savings to Primary Health Organisations (PHOs) arising from Government funding increase for Community Services Card (CSC) holders and the unionisation of the ARC workforce.

Care facility ownership

Care facility segmentation by ownership type

The NZACA has compiled bed number and ownership details on all ARC facilities in New Zealand. Information on NZACA member facilities, collected in the ARC Quarterly Reporting survey and the NZACA Survey, has been supplemented by publicly available information on non-member facilities from the Ministry of Health[1] and the NZ Companies Register.

Forty-nine percent of the 668 ARC facilities are operated by major groups of care facilities. These major groups provide 62% of ARC beds. Fifty percent of ARC facilities are operated by individuals or are part of a minor group (up to 4 homes or 200 beds) and these provide 38% of beds. Some 1% of ARC facilities are owned by DHBs.

Another way of segmenting ARC facilities is on the basis of their ownership by either a commercial entity or a charitable trust. Around 77% of facilities are in the commercial sector, providing 79% of beds. Some 22% of facilities are in the charitable sector[2]; these provide 21% of beds. The balance of around 1% of beds are in DHB owned ARC facilities.

We have developed a six-way segmentation of ARC facilities that combines these approaches i.e. is based on type of ownership and whether they are part of a major group:

- Major group/ publicly listed
- Major group/ private
- Major group/ charitable
- Individual or minor group/ charitable
- Individual or minor group/ private
- DHB owned

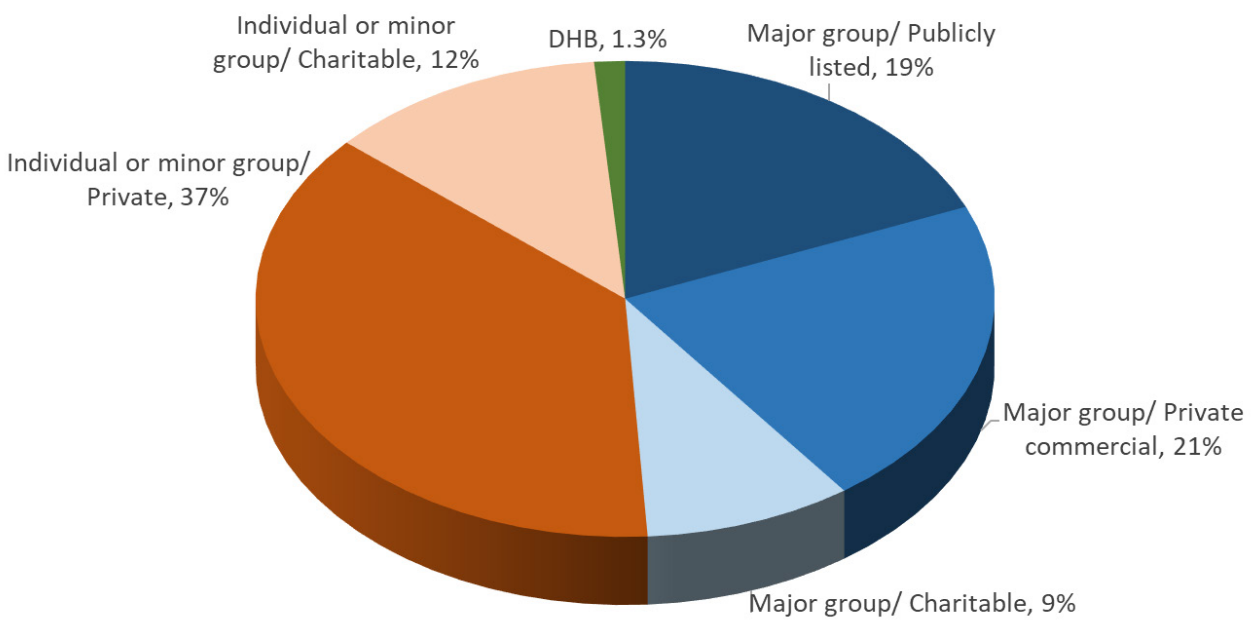
Size of ownership segments

Figure 2.1 shows the percentage of ARC facilities in these ownership segments, and Figure 2.2 shows the breakdown of the ARC bed supply. It is notable that while only 19% of care facilities are in the major group/ publicly listed segment, this supplies 28% of beds. On the other hand, individual or minor group/private facilities comprise 37% of care facilities but supply only 27% of ARC beds (see Figure 3.3 for comparison of average size of facility by ownership segment).

[1] The Certified Rest home providers spreadsheet and audit reports available at www.health.govt.nz/your-health/certified-providers/aged-care

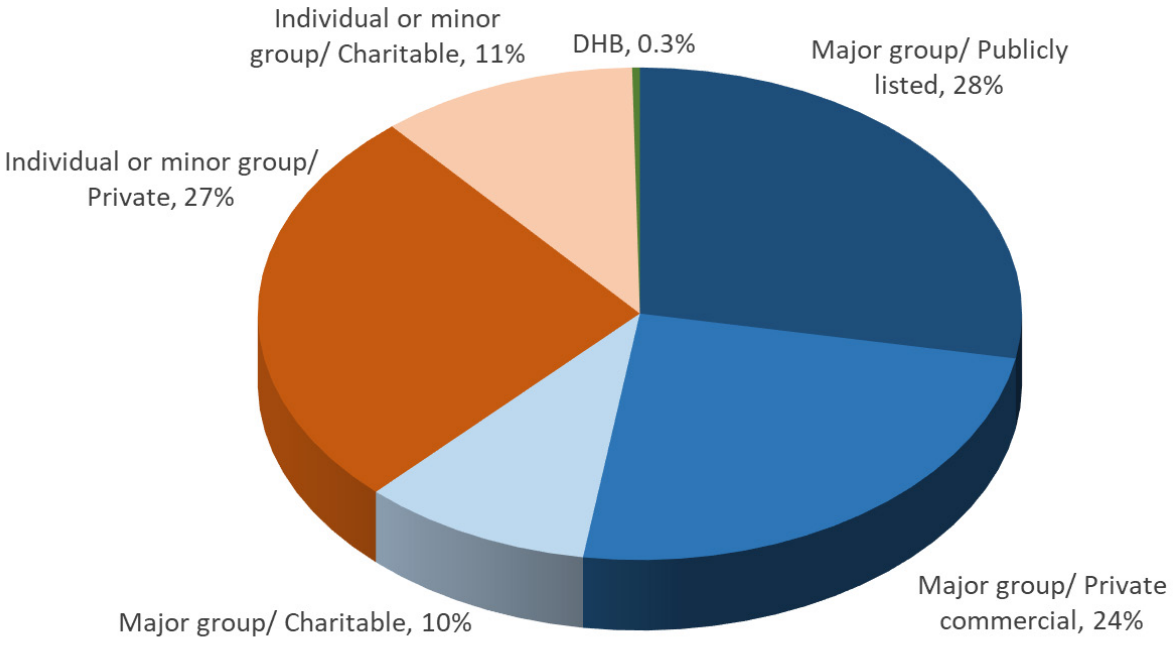
[2] ARC facilities operated by a limited liability company whose shares are entirely held are held by a charitable trust (according to Companies Register records) have been assigned to the charitable sector.

Figure 2.1: Percentage of ARC facilities in each ownership segment



Base: all ARC facilities

Figure 2.2: Percentage of bed supply in each ownership segment



Base: all ARC facilities

Beds

For those aged over 65 years who are assessed as being no longer able to live safely and independently in their own home, ARC homes provide support through long-term and short-term care beds. These beds operate across four levels of care: rest home, hospital, dementia and psychogeriatric. Most ARC beds are paid for on a daily or weekly basis by DHBs or the resident themselves, but a minority of beds are occupied under an Occupational Rights Agreement (referred to as ORA beds).

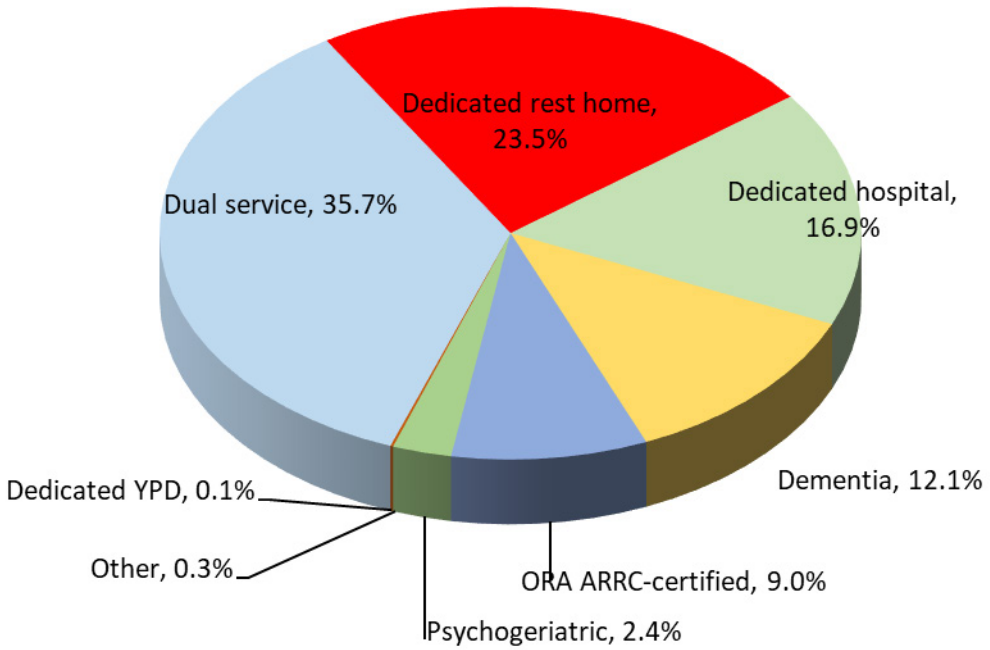
The data in this chapter is from the two sources. Information for the years 2005 to 2013 is sourced from the NZACA Member Profiling Surveys carried out in the respective years. For 2014 to 2020 the information is sourced from the TAS ARC Provider Quarterly Reporting data for 31 March in each year (unless another quarter is specified).

Total beds

A total of 39,767 ARC beds were operated by the 668 ARC facilities who provided Quarterly Reporting data on 31 March 2020.

Dual service beds[3] are the largest bed category in New Zealand, at 36% (Figure 3.1). Dedicated rest home beds constitute 24% of the supply, and dedicated hospital beds make up 17%. ORA ARRC-certified beds account for 9% of all beds.

Figure 3.1: Breakdown of ARC beds in New Zealand



Base: all ARC facilities

[3] Dual service beds are beds certified to provide both rest home and hospital level care, dependent on the type of care required by the resident.

Table 3.1 presents data on the number of beds by service and DHB region.

Table 3.1: Number of beds by DHB and service on 31 March 2020

DHB	Service								Total beds
	Dedicated rest home beds	Dedicated hospital beds	Dual service beds	ORA ARRC-certified beds	Dementia beds	Psycho geriatric beds	Dedicated YPD beds	Other beds	
Northland	436	342	317	34	169	20	0	3	1,321
Waitemata	698	745	1,592	261	462	133	2	2	3,895
Auckland	826	967	1,567	438	432	47	24	3	4,304
Counties Manukau	565	716	963	250	218	37	5	12	2,766
Waikato	892	585	975	245	490	89	3	20	3,299
Lakes	240	92	357	65	87	15	10	4	870
Bay of Plenty	420	412	862	142	234	45	0	0	2,115
Tairawhiti	62	0	260	30	50	0	0	0	402
Taranaki	429	49	585	135	163	20	0	9	1,390
Hawke's Bay	378	216	516	115	205	45	0	0	1,475
MidCentral	553	286	613	128	259	18	1	10	1,868
Whanganui	183	79	211	32	89	10	0	10	614
Capital and Coast	425	458	724	223	222	84	1	8	2,145
Hutt Valley	263	130	482	126	160	44	5	11	1,221
Wairarapa	145	37	242	41	85	0	0	2	552
Nelson Marlborough	299	123	629	288	190	21	0	3	1,553
West Coast	30	30	151	12	24	8	0	0	255
Canterbury	1,180	813	1,909	869	828	219	0	4	5,822
South Canterbury	220	103	186	10	49	20	0	4	592
Southern	1,099	532	1,037	147	394	97	0	2	3,308
National	**9,343**	**6,715**	**14,178**	**3,591**	**4,810**	**972**	**51**	**107**	**39,767**

Trend in percentage of beds within each service

Table 3.2 shows the proportion of beds within each service type since the beginning of the Quarterly Reporting Survey.

There has been a marked trend towards dual service beds, and an accompanying decline in supply ofdedicated rest home and hospital beds.

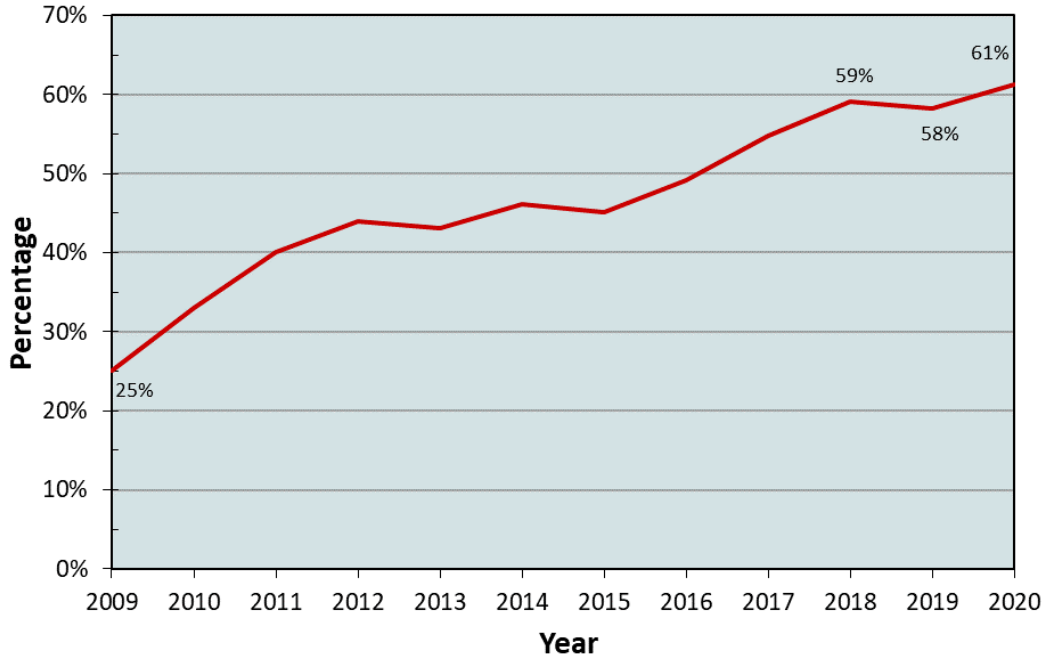
Dual service beds as a percentage of total supply increased from 19% to 36% over the seven years to March 2020. The proportion of dedicated rest home beds over this five-year period decreased significantly, from 36% to 24%. The share of hospital beds across the supply has also decreased over the five-year period, from 25% to 17%. ORA ARRC-certified beds as a percentage of supply increased from 6% to 9%.

Table 3.2: Five-year trends of the percentage of beds by service type on 31 March each year							
Bed type	2014	2015	2016	2017	2018	2019	2020
Dedicated Rest Home Beds	36.4%	34.3%	32.5%	30.1%	27.1%	25.5%	23.5%
Dedicated Hospital Beds	24.5%	24.5%	24.2%	21.9%	19.4%	18.3%	16.9%
Dual Service Beds	19.3%	20.7%	22.4%	26.6%	31.5%	33.2%	35.7%
ORA ARRC-certified beds	6.0%	6.2%	5.9%	6.5%	7.1%	8.1%	9.0%
Dementia Beds	10.9%	11.4%	11.6%	11.8%	12.1%	12.1%	12.1%
Psychogeriatric Beds	2.3%	2.1%	2.5%	2.4%	2.3%	2.4%	2.4%
Dedicated Young Physically Disabled (YPD) beds	0.1%	0.2%	0.2%	0.2%	0.1%	0.2%	0.1%
Other Beds	0.4%	0.5%	0.7%	0.5%	0.3%	0.3%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Long-term increase in provision of dual service beds

Figure 3.2 illustrates the long-term trend in the percentage of care facilities who operate dual service beds. This has risen from 25% to 61% over the nine-year period from 2009 to 2018.

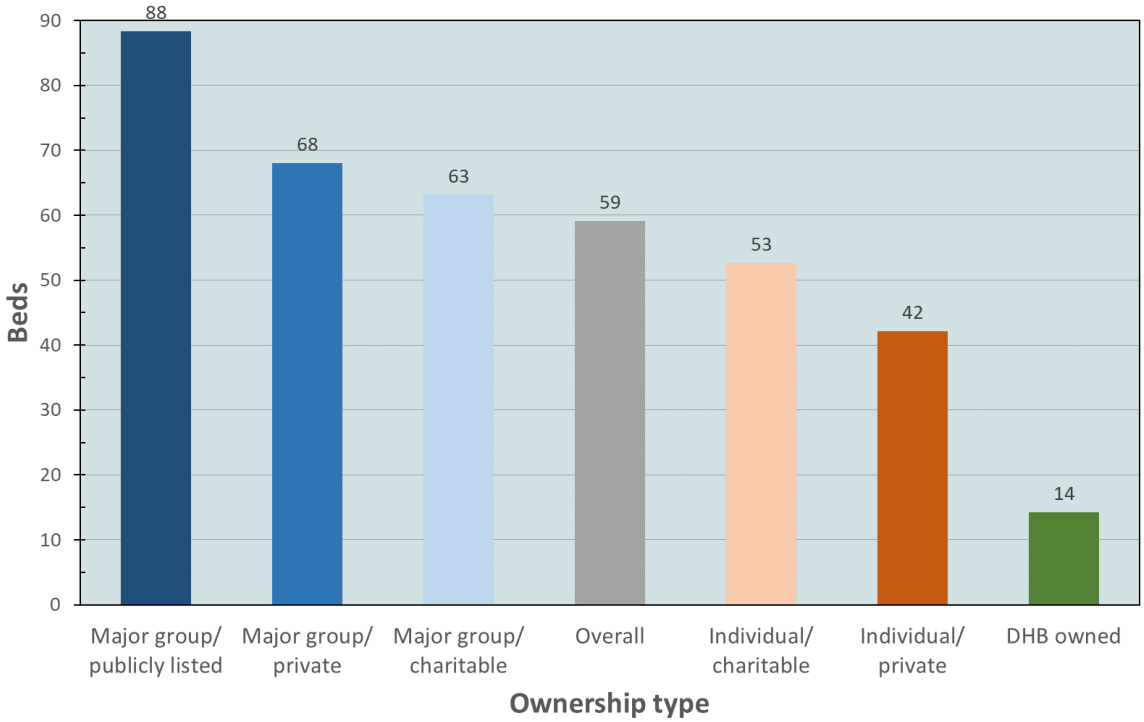
Figure 3.2 Change in in the percentage of NZACA member care facilities operating dual service beds between 2009 and 2018



Average facility size by segment

The average size of an ARC facility is 59 beds. Figure 3.3 below shows how this average varies between the ownership segments shown in Figure 2.1. The average size of a publicly listed provider is 88 beds. This is more than twice the size of the average individual, privately owned care facility (42 beds).

Figure 3.3 Average number of beds per facility in each segment, March 2020



Base: NZACA member facilities

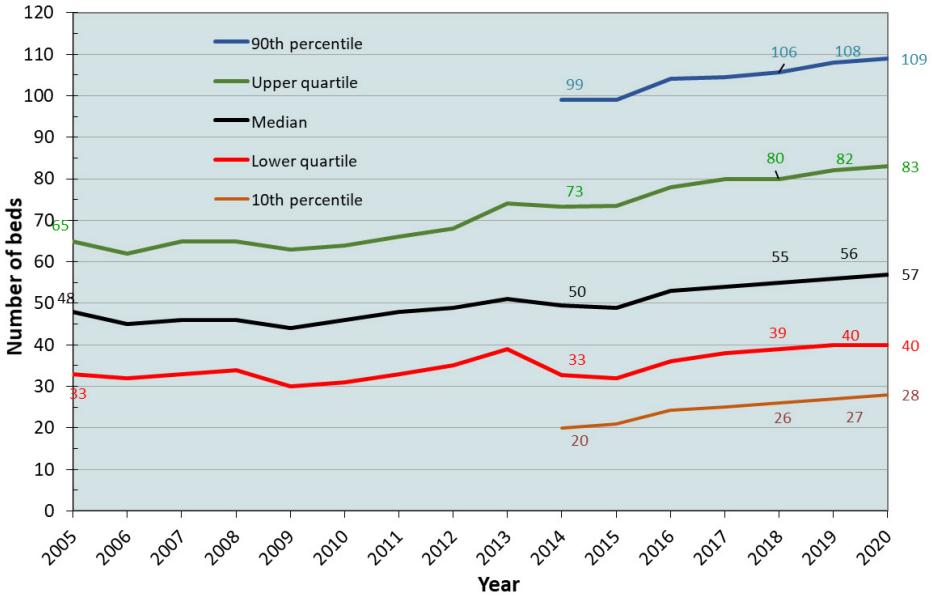
Trends in care facility size

Care facility size, as determined by total beds supplied, has been increasing steadily. Almost all new ARC facilities are developed by major groups alongside their retirement villages. Most closures are of older, smaller, private and charitable facilities. Consequently, the overall average size of care facilities is gradually rising. The average number of beds in NZACA members' care facilities has increased from 62 in 2018 to 64 in 2020.

The median number of beds, however, is a better indicator of the size of the 'typical' care facility. This is now 57 beds, up from 55 in 2018.

The middle 50% (interquartile range between the 25th and 75th percentiles) of all care facilities had between 40 and 83 beds (Figure 3.4, red and green lines), compared to between 39 and 80 beds in 2018. Overall, the interquartile range has been progressively widening (illustrated by the gap between the red and green lines in Figure 3.4). This is a good indicator that the ARC facilities being built or renovated are increasing in size. Another indicator is that the largest 10% of care facilities provided 108 or more beds in 2018, but this increased slightly to 109 or more in 2020.

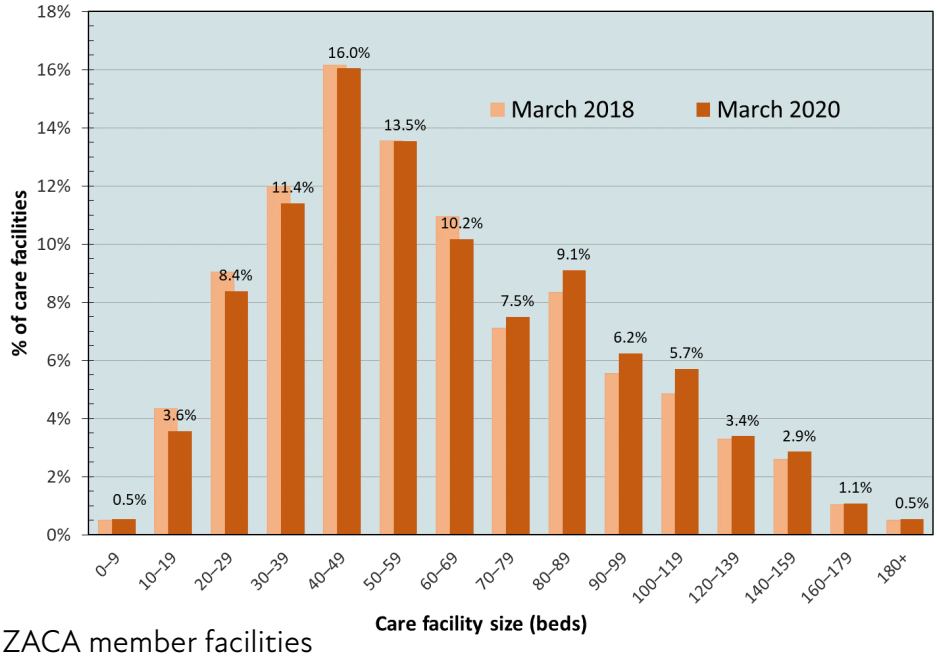
Figure 3.4: Fifteen-year trend of the range of care facility sizes (NZACA Members)



Care facility sizes within band widths

This upward trend of the size of ARC facilities is also illustrated in Figure 3.5. Care facilities in the range of 40–49 beds constituted 16% of total care facilities in 2020. Further up the size scale, care facilities in the 80–89 bed range rose from 8% to 9% of all care facilities and those in the 100–119 bed range went from 4.9% to 5.7%.

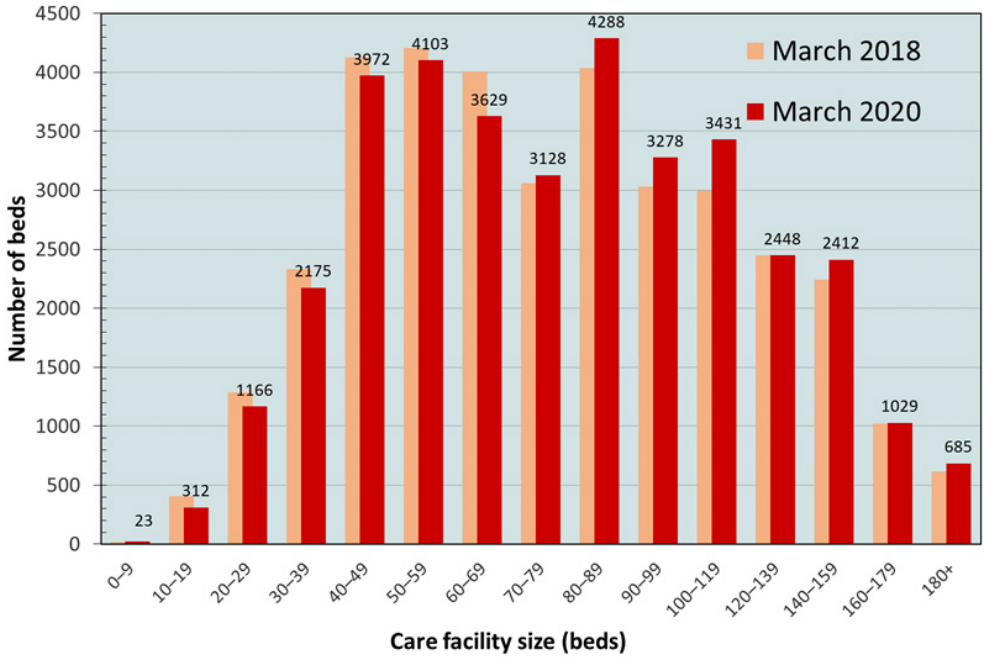
Figure 3.5: Percentage of care facilities in bed size band



Base: NZACA member facilities

The absolute numbers of beds contributed by care facilities in each size range are shown in Figure 3.6. The absolute number of beds contributed by member care facilities up to 69 beds has fallen since 2018. For example, beds contributed by those facilities in the 60-69 range fell from 4008 in 2018 to 3629 in 2020. In contrast, those supplied by facilities of 70 or more has risen. For example, beds supplied by care facilities in the 100-109 bed range increased from 2998 in 2018 to 3431 in 2020.

Figure 3.6: Number of beds contributed by NZACA facilities in each size band



Service mix of beds

The mix of services offered by member care facilities is analysed in detail in Table 3.3.

- The most common service make-up of a care facility is a combination of rest home and hospital beds; these constitute 45% of care facilities and supply 45% of beds.
- The second most common service make-up of a care facility is those that also provide dementia beds alongside rest home and hospital services (24% of facilities supplying 34% of beds). The average size of care facilities offering these three services is considerably larger (92 vs 64 beds).
- Rest home specialist care facilities constitute 18% of all member facilities and, because of their small average size (32 beds), supply only 9% of beds.
- Dementia specialist care facilities constitute 2% of member facilities and, again, because of their small average size (33 beds), supply only 1% of members' beds
- Care facilities offering a mix of rest home and dementia beds constitute 4% of care facilities and supply 3% of beds.

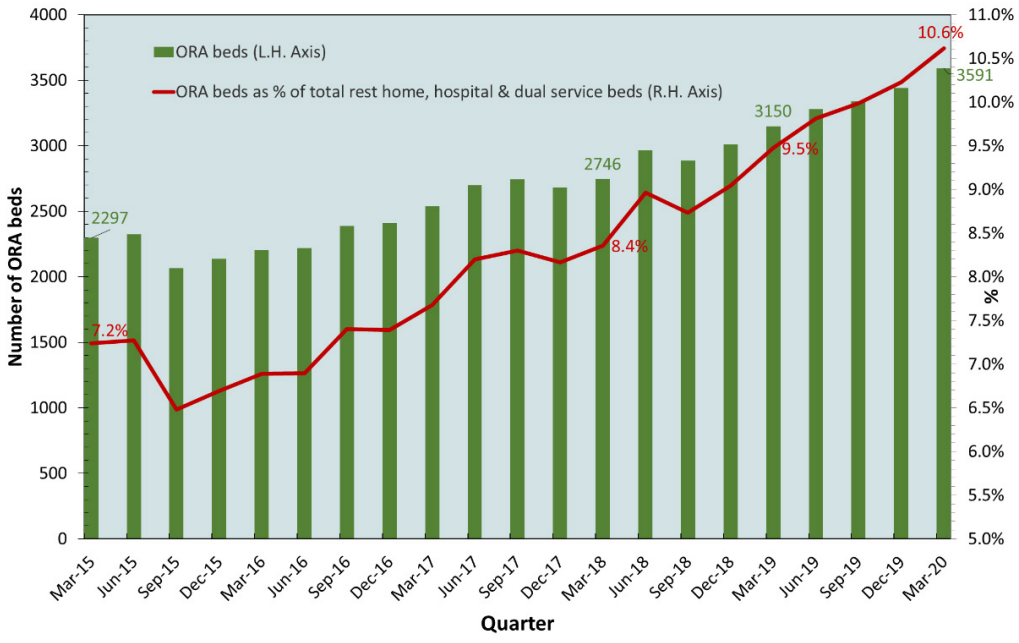
Care facilities providing the 'top five' mix of services constitute a total of 92% of care facilities and provide 92% of beds. Refer to Table 3.3 for the contribution of the less common mixes of services provided by care facilities.

Table 3.3: Mix of long-term services offered by NZACA member care homes, 2020			
Combination of Services	**Facilities (%)**	**Beds (%)**	**Average Beds (no.)**
Rest Home and Hospital	44.6%	44.8%	64
Rest Home and Hospital and Dementia	23.5%	33.9%	92
Rest Home	17.8%	8.9%	32
Rest Home and Dementia	3.9%	2.8%	46
Dementia	2.3%	1.3%	37
All Services	1.8%	2.4%	88
Rest Home and Hospital and Psychogeriatric	1.2%	2.0%	101
Hospital	1.2%	1.0%	50
Hospital and Psychogeriatric	0.7%	0.9%	81
Hospital and Dementia	0.7%	0.7%	59
Hospital and Dementia and Psychogeriatric	0.7%	0.8%	71
Rest Home and Psychogeriatric	0.5%	0.2%	28
Psychogeriatric	0.4%	0.2%	42
Dementia and Psychogeriatric	0.5%	0.0%	1
Total	100.0%	100.0%	64

Supply of Occupational Rights Agreement (ORA) beds

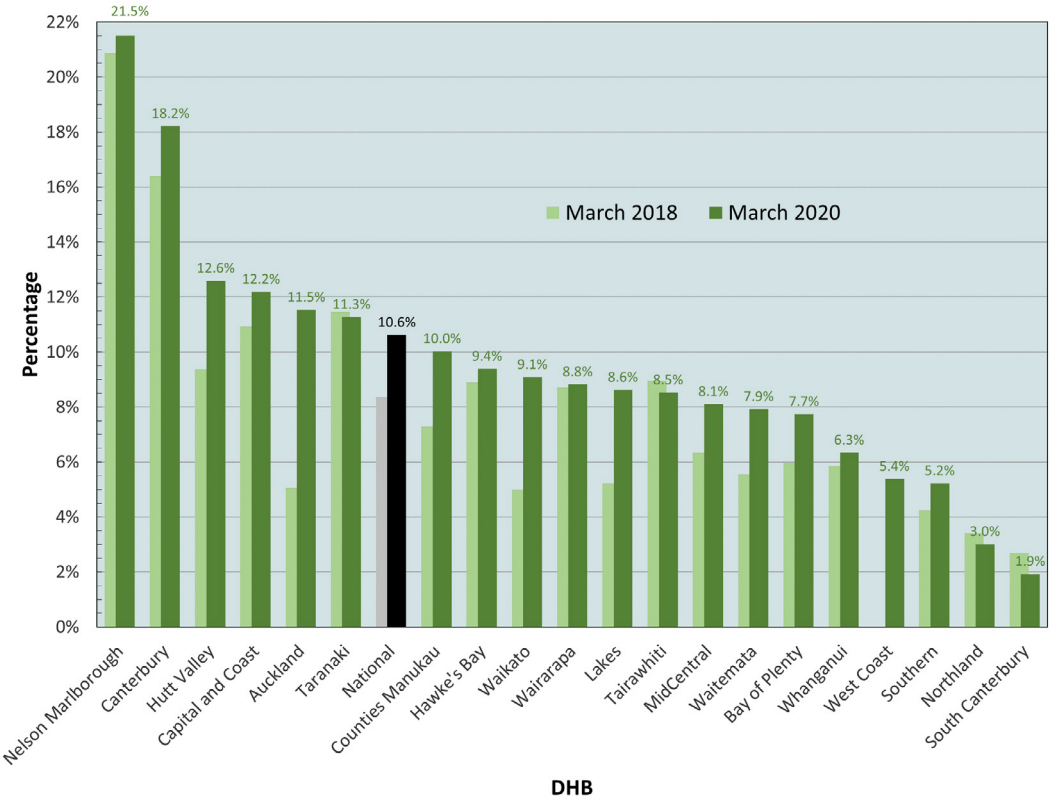
ORA ARRC-certified rest home, hospital, and dual service beds are continuing to increase, both in absolute terms and as a percentage of the total supply of said beds. This is illustrated in Figure 3.7. In March 2020, ORA beds constituted 10.6% of total rest home, hospital, and dual service beds, up from 8.4% of these beds in March 2018.

Figure 3.7: National ORA bed supply 2015–20



The regional variation of ORA beds as a percentage of total supply of rest home, hospital and dual service beds is illustrated in Figure 3.8. Nelson Marlborough DHB region stands out as having a relatively high supply of ORA beds (22%). Canterbury DHB region also has a high supply (18%). In absolute number terms, however, the supply of ORA beds in Canterbury (869, up from 751 in March 2018) is much higher than in Nelson Marlborough (288, up from 279 in March 2018).

Figure 3.8: ORA beds as percentage of total rest home, hospital and dual service beds by DHB region



Changes in bed numbers by region

Net changes in beds by service and DHB region recorded by the Quarterly Reporting Survey since the last Industry Profile Report in 2018 are shown in Table 3.4. Nationally, total beds increased by 1,146 between March 2018 and March 2020. There was a marked increase in dual service beds (up 2,009) and ORA beds (up 845) but these were partially offset by falls in dedicated rest home beds (down 1106) and dedicated hospital beds (down 769). Total bed numbers grew most in Auckland DHB between March 2018 and March 2020 (up 672) and Canterbury DHB (up 213 beds).

Table 3.4: Net change in beds by service and DHB region, March 2018 - March 2020

DHB	Service								Total
	Dedicated rest home beds	Dedicated hospital beds	Dual service beds	ORA ARRC-certified beds	Dementia beds	Psycho-geriatric beds	Dedicated YPD beds	Other beds	
Northland	-9	26	2	-4	12	0	0	1	28
Waitemata	-138	81	33	81	-6	20	2	2	75
Auckland	-130	76	315	273	146	-20	13	-1	672
Counties Manukau	-47	8	5	71	2	0	5	-2	42
Waikato	-151	-154	181	110	31	0	0	5	22
Lakes	40	-35	31	29	8	0	10	2	85
Bay of Plenty	-94	6	123	37	13	0	-6	-11	68
Tairawhiti	-13	-54	84	0	-10	0	0	0	7
Taranaki	-90	-66	129	-6	-5	-3	0	9	-32
Hawke's Bay	-67	-42	133	9	3	-1	-10	-12	13
MidCentral	10	18	-56	28	9	0	1	-5	5
Whanganui	-35	9	-15	0	8	0	0	-5	-38
Capital and Coast	-30	-85	37	16	-34	8	1	0	-87
Hutt Valley	0	35	-30	36	7	-2	2	-1	47
Wairarapa	-1	-10	5	0	27	0	0	1	22
Nelson Marlborough	-84	-74	151	9	-27	3	-1	-2	-25
West Coast	-5	-33	36	12	-8	8	0	0	10
Canterbury	-151	-345	568	118	-22	47	-3	1	213
South Canterbury	-6	31	-23	-4	0	-5	0	-1	-8
Southern	-105	-161	300	30	-36	10	-9	-2	27
National	**-1,106**	**-769**	**2,009**	**845**	**118**	**65**	**5**	**-21**	**1,146**

Residents

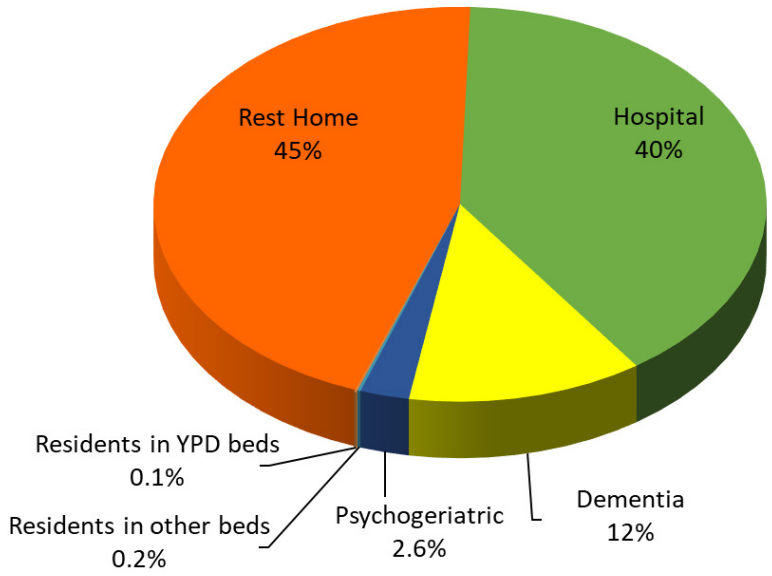
Aged residential care is available in New Zealand for people aged over 65 years who are assessed as being no longer able to live safely and independently in their own home. They receive different services of care over the long or short term, depending on their care requirements.

This section discusses the number of people receiving aged residential care on 31 March 2020.

Residents by type of care

A total of 34,646 residents were receiving care at ARC facilities on 31 March 2020. Of these residents, 45% were receiving rest home level care, 40% hospital level care, 12% dementia care and 3% psychogeriatric care (Figure 4.1).

Figure 4.1: Percentage of residents receiving each type of care on 31 March 2020



Rest home and hospital residents

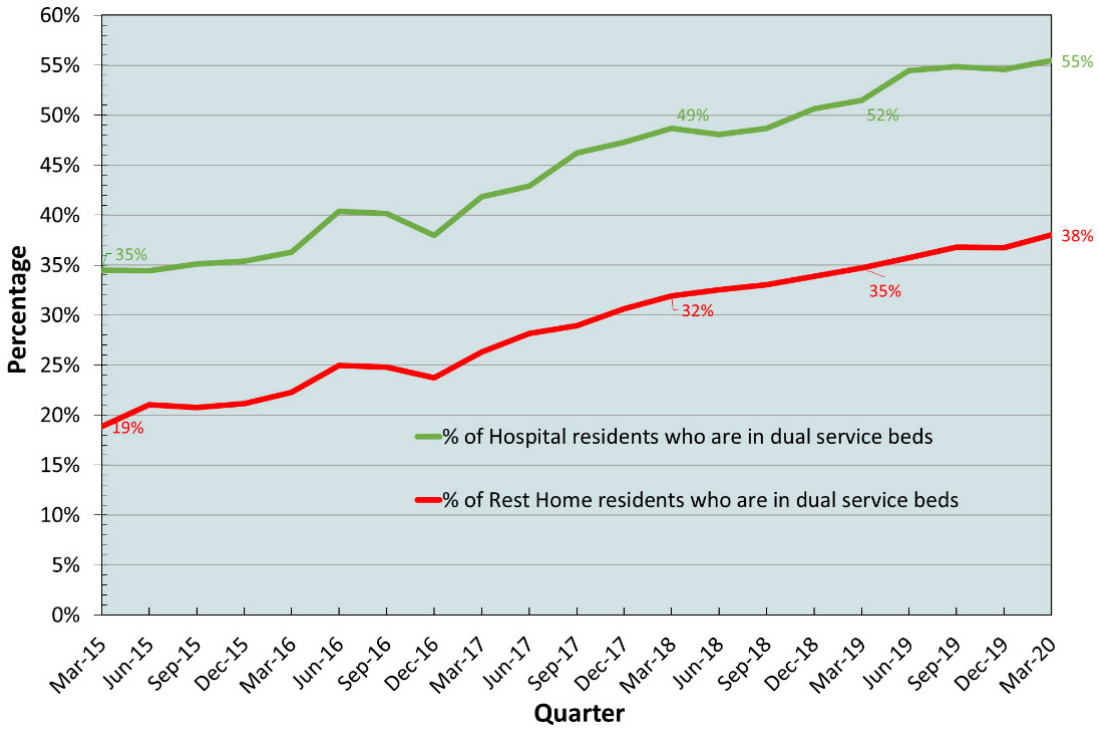
Of the 15,583 residents receiving rest home level care in March 2020, 54% were residents occupying dedicated rest home beds, 34% were residents receiving rest home level services in a dual service bed, 8% were residents who received rest home level care into their own rest home-only ORA unit[4], and 4% were residents receiving rest home level care into their own dual service ORA unit[5].

Of the 13,759 people receiving hospital level care, 44% occupied dedicated hospital beds, 53% occupied swing beds while receiving hospital level care, and 2.6% were residents receiving hospital level care into their own ORA unit.

[4] Occupation Right Agreement (Licence to Occupy unit).
[5] ORA swing/dual service unit.

Figure 4.2 illustrates the increasing role of dual service beds for both rest home and hospital residents. In March 2015, only 19% of rest home residents were in a dual service bed (normal or ORA), but in March 2020 this percentage had risen to 38%. In the case of hospital residents, in March 2015 35% were in a dual service bed (normal or ORA), by March 2020 this had risen to 55%.

Figure 4.2: Percentage of Rest Home and Hospital who are in Dual Service beds



Subsidised and private paying residents

Sixty-four per cent of long-term ARC residents receive a Residential Care Subsidy (RCS) for their care. This percentage has decreased from the 66% receiving a subsidy at the time of the last ARC Industry Profile report, in 2018.

Figure 4.3 compares the non-subsided (maximum contributor) percentage of long-term ARC residents across the care levels. This ranges from 37.5% of hospital residents (up from 33.1% in March 2018), to only 15% of psychogeriatric residents. Of those in dementia care, 36.9% are non-subsidised and of those in rest home level care, 36.4% are non-subsidised.

Figure 4.3: Percentage of long-term ARC residents who are non-subsidised, by care level

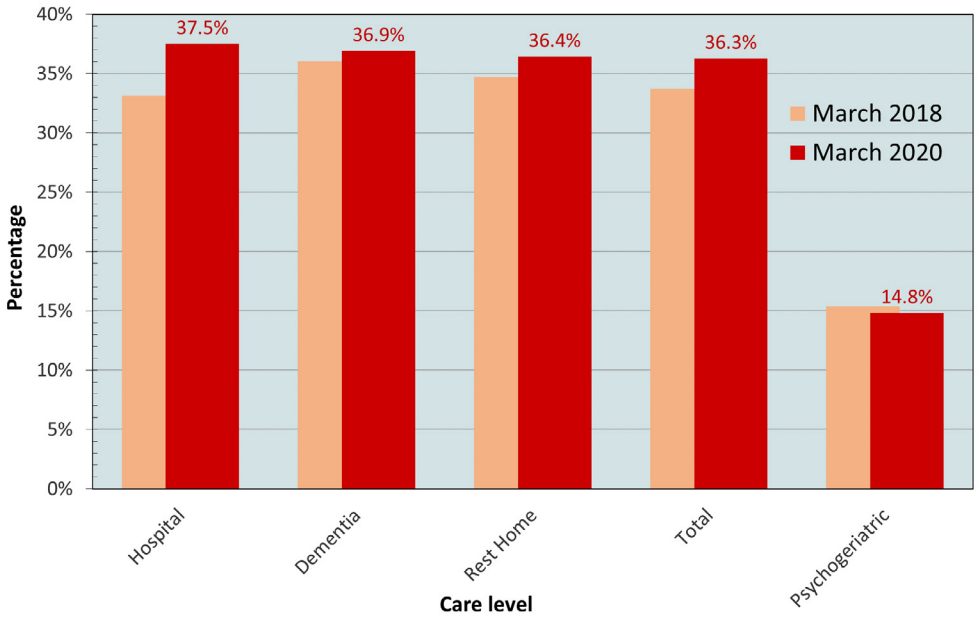
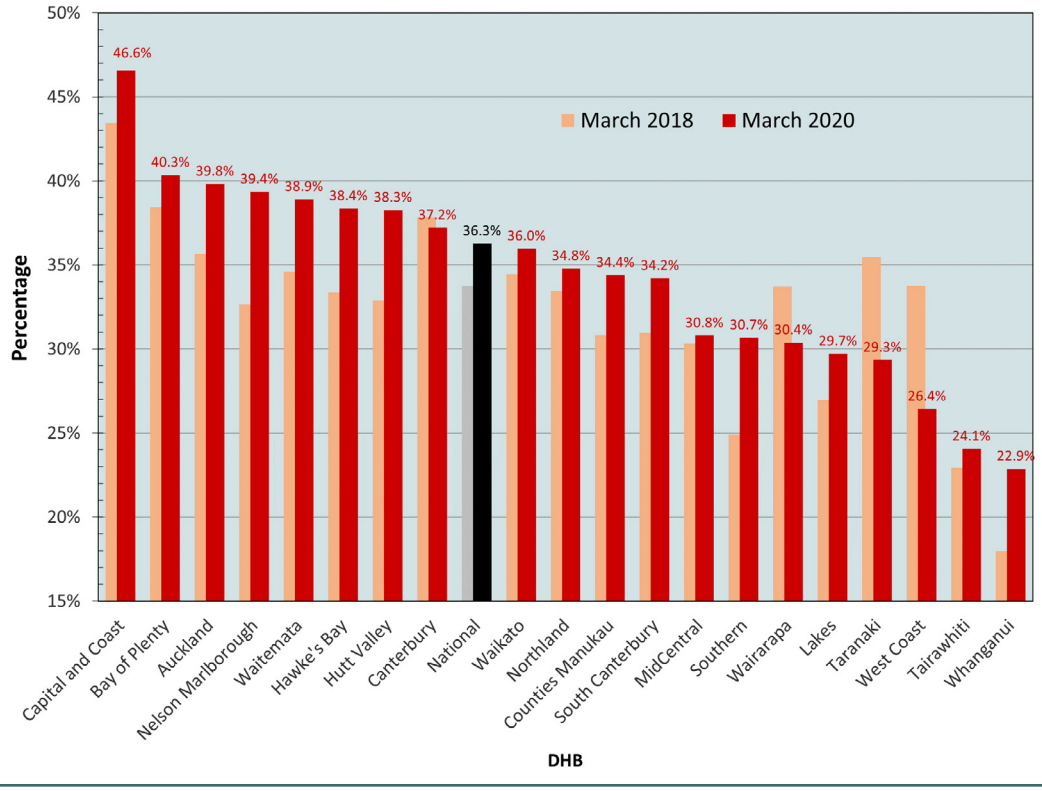


Figure 4.4 shows the percentage of long-term ARC residents (all care levels) who are non-subsidised across the DHBs. This percentage is highest in the high property value/high income DHBs of Capital and Coast (46.6%), Bay of Plenty (40.3%) and Auckland (39.8%). At the other extreme are Whanganui (22.9%), Tairawhiti (24.1%), and West Coast (26.4%).

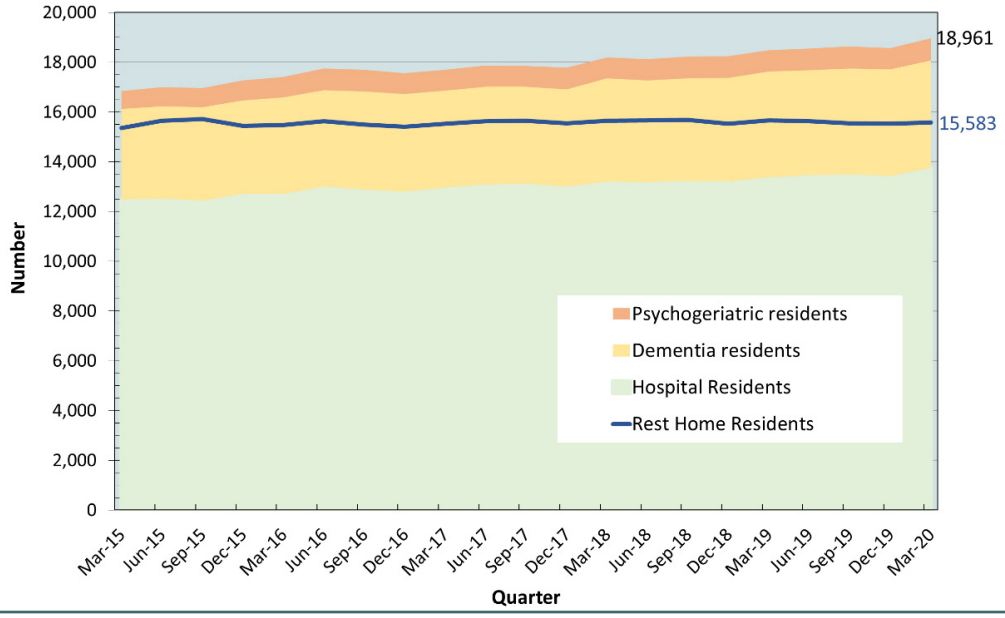
Figure 4.4: Percentage of long-term ARC residents who are non-subsidised, by DHB



Trends in care levels

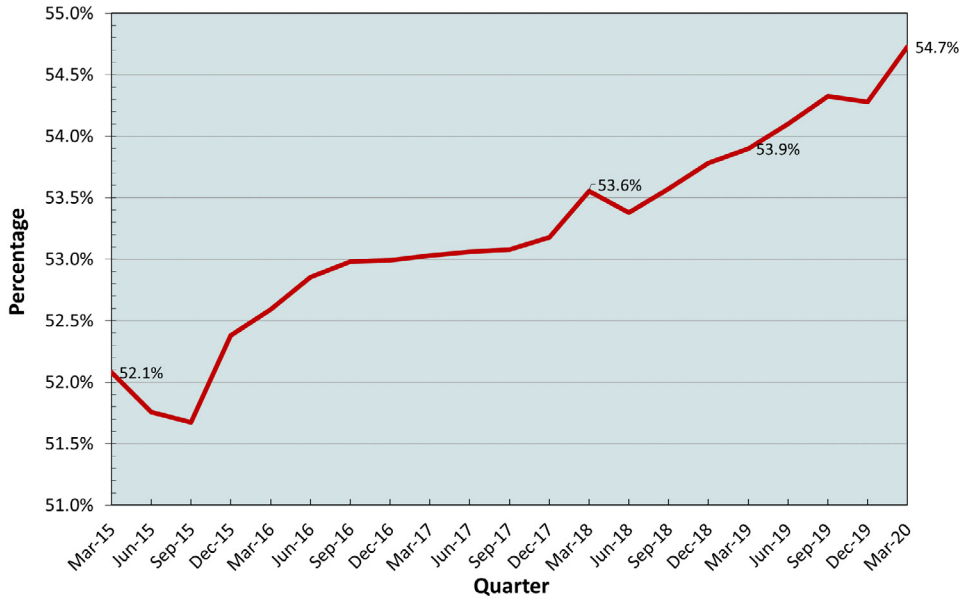
Combined, residents receiving the higher care levels (i.e. hospital, dementia and psychogeriatric residents) outnumber those receiving rest home care. In March 2015, there were 15,354 rest home residents (Figure 4.5) and this grew by only 1.5% over the five years to March 2020, when there were 15,583 of these residents. In contrast, those at the higher care levels combined grew 13% over the five-year period, from 16,844 in March 2015 to 18,961 in March 2020.

Figure 4.5: ARC residents by care level 2015–2020



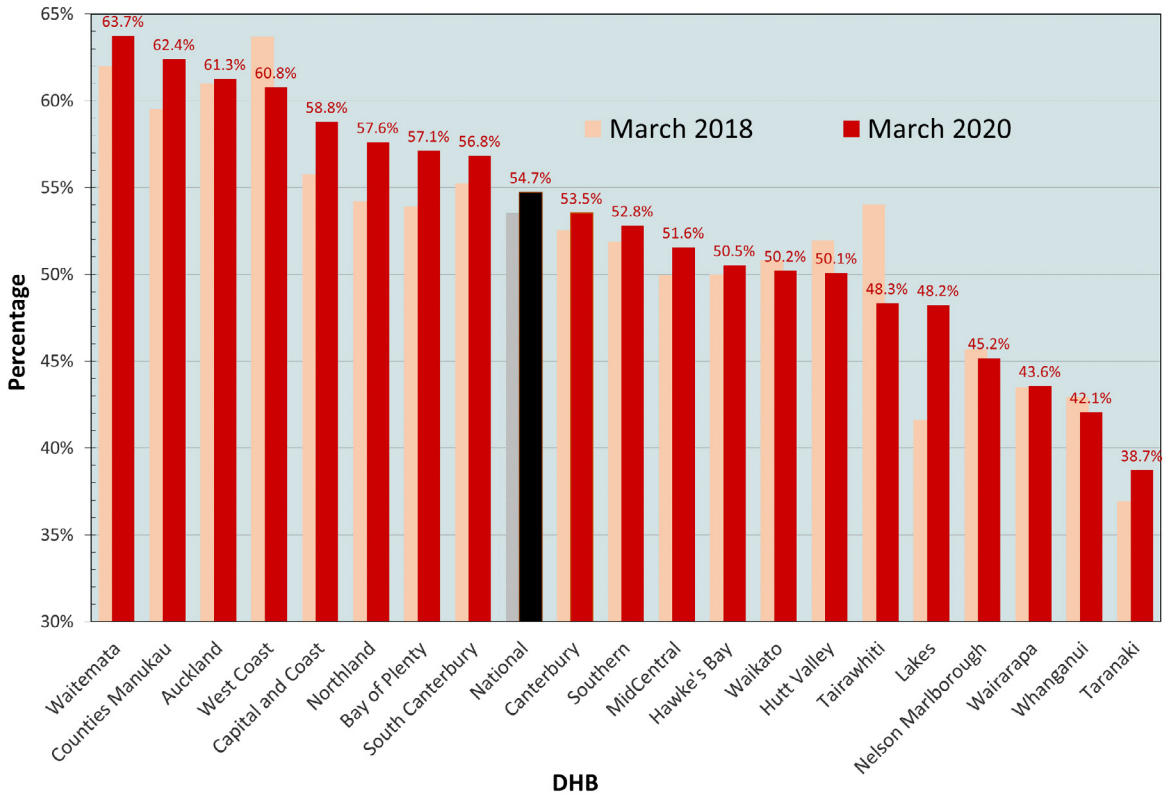
In March 2015 those at the higher care levels combined were 52% of total residents, growing to 55% of the total in March 2020 (Figure 4.6).

Figure 4.6: Hospital, dementia, and psychogeriatric residents as % of total residents 2015–20



Contrasts across the DHB regions in the percentage of residents at the higher care levels are shown in Figure 4.7. It is notable that there is a much higher percentage of residents at the higher care levels in some regions than others. At the high end are the Waitemata (64%), Counties Manukau (62%) and Auckland (61%) DHB regions. At the lower end are the Taranaki (39%), Whanganui (42%) and Wairarapa (44%) DHB regions. This raises questions over whether residents in some regions are receiving the level of care they need. This question is examined in more detail in the NZACA's report Caring for our older Kiwis: The right place, at the right time (April 2018).

Figure 4.7: Hospital, dementia, and psychogeriatric residents as a % of total residents by DHB



Hours per resident per day

In 2015 and 2016 the NZACA developed, distributed, and analysed a series of surveys which gathered data required to inform the Ministry of Health's modelling of the cost of pay equity. A series of questions were included in the 2017 NZACA Survey to obtain another estimate of carer hours per resident per day. The questions were not included in the 2019 survey due to space and because these coefficients appear to be stable over time. For the convenience of the reader we include the December 2017 estimates of hours per resident per day here.

In December 2017 respondents were first asked to give the number of residents in their care facility, at each care level, on a specific weekday. They were then asked a series of questions about the registered nurses, enrolled nurses, caregivers and activities coordinators working on that day, including the:

- number of hours worked by care level over the day (including casual and bureau staff).
- number of staff that day, broken down by full time, part time, casual and bureau status.
- number of vacancies that day, broken down by full time and part time.
- number of staff employed at each pay-rate paid by the respondent.

Table 4.1 shows the median (together with lower and upper quartile) hours per resident per (mid-week) day by care level and type of staff.

- Median hours for RNs working at rest home care is 0.36 hours per resident per day.
- For RNs at hospital level, the median is one hour per resident per day.
- Median hours for caregivers at rest home level is 1.88 hours per resident per day.
- For caregivers at hospital level, the median is 2.72 hours per resident per day.

Table 4.1: Hours per resident per day by type of staff and care level.

Type of staff		Care level			
		Rest home	Hospital	Dementia	Psychogeriatric
Registered nurse	Lower quartile	0.28	0.78	0.30	0.29
	Median	0.36	1.00	0.38	1.04
	Upper quartile	0.59	1.33	0.51	1.42
Enrolled nurse	Lower quartile	0.13	0.09	0.14	0.16
	Median	0.21	0.16	0.26	0.35
	Upper quartile	0.38	0.36	0.42	0.35
Caregiver	Lower quartile	1.53	2.27	2.15	1.34
	Median	1.88	2.72	2.63	2.74
	Upper quartile	2.25	2.95	2.96	3.23
Activities coordinator	Lower quartile	0.16	0.15	0.20	0.08
	Median	0.21	0.20	0.32	0.32
	Upper quartile	0.30	0.28	0.37	0.43

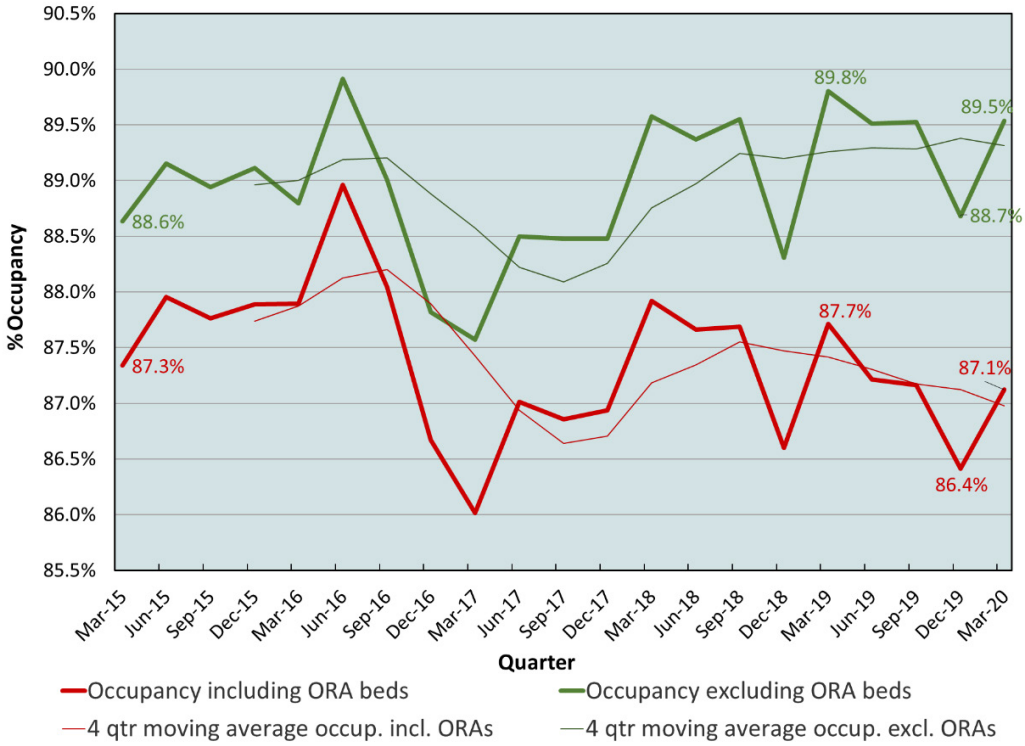
Occupancy

Occupancy at a national and DHB regional level is investigated in this chapter. Occupancy information from 2014 to 2020 is sourced from the TAS ARC Quarterly Reporting Survey. Historical data from NZACA Member Profiling Surveys supports analysis of trends over the long term.

Overall occupancy

The national occupancy figure on 31 March 2020 is 87.1%, up from 86.4% in December 2019 (Figure 5.1, red line). Occupancy in March quarter 2020 is however lower than where it stood in March quarter 2019 (87.7%).

Figure 5.1: Occupancy rate with and without ORA ARRC beds and residents

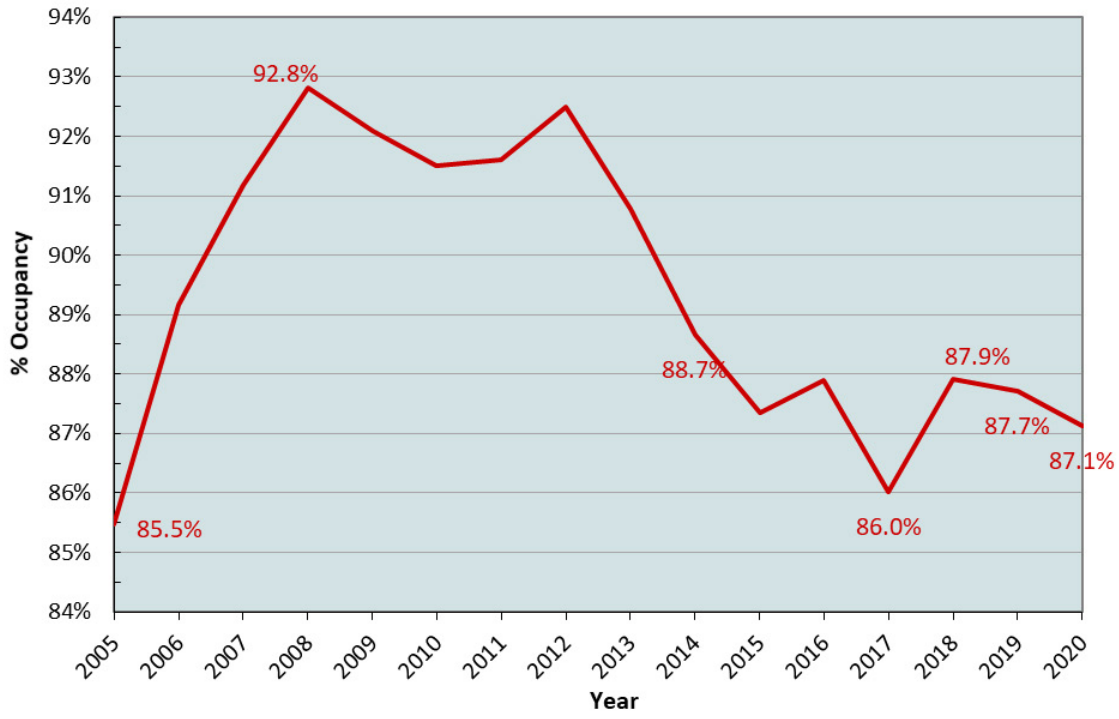


The Quarterly Reporting data allows the ORA ARRC-certified beds and residents occupying these beds to be excluded from occupancy calculations. Figure 5.1 shows the occupancy rate with ORA ARRC-certified bed and residents excluded (green line). This stands at 89.5%, up from 88.7% in December 2019.

Figure 5.1 includes four-quarter moving average occupancy lines that smooth out the seasonal dip in occupancy that occurs in the December quarter to help reveal underlying trends. These lines indicate a recent declining trend in occupancy overall, but when ORAs are taken out of the calculation, occupancy has been essentially static over the last year.

Figure 5.2 illustrates changes in occupancy over the long term, including the 2005-2012 period before the current Quarterly Reporting survey began. The data suggests that occupancy peaked at 93% in 2008, which approaches nominal full occupancy (95%). However, occupancy has been below 90% since the current Quarterly Reporting survey began in September 2013 and occupancy in March 2020 is slightly less than the previous two years.

Figure 5.2: Fifteen-year trend in overall occupancy

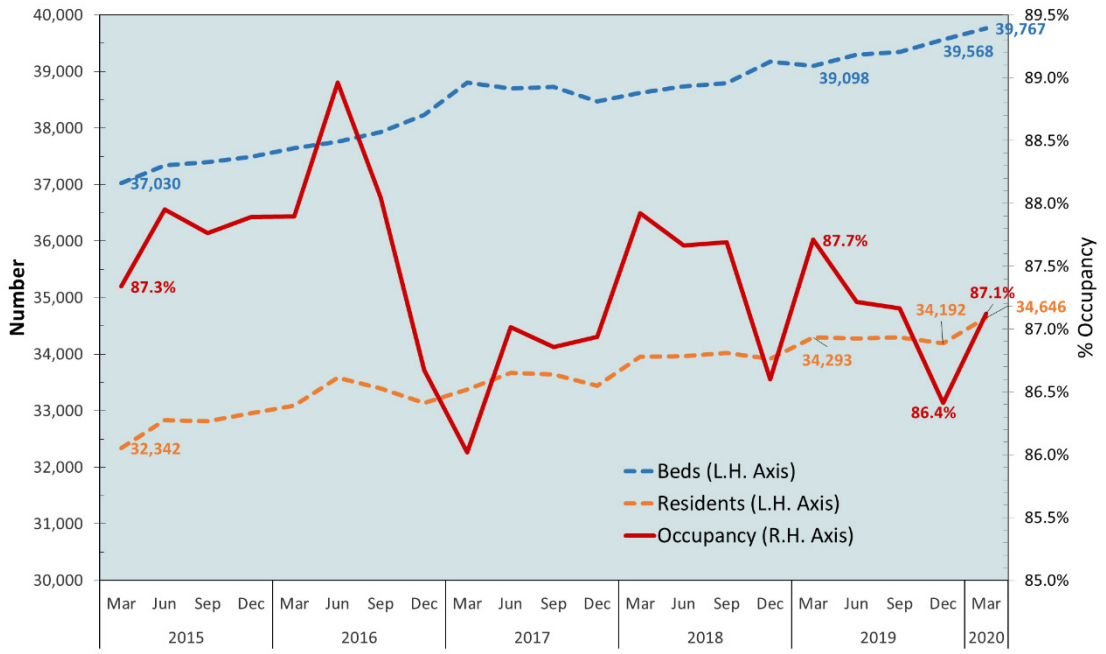


Both resident and bed numbers grew over the quarter to 31 March 2020. Occupancy increased because resident growth outstripped growth in the bed supply. Residents increased by 454 (or 1.3%) to 34,646 over the quarter, and beds went up by 199 (0.5%) to 39,767.

Over the year to 31 March 2020 there was an increase of 353 residents (up 1.0%) and beds increased by 669 (up 1.7%).

The growth in bed and resident numbers since March 2015 is shown in Figure 5.3, together with the occupancy rate. Figure 5.3 shows that both ARC beds and residents have grown steadily over most of the period. Short term dips in resident numbers (particularly notable in December quarters) cause marked falls in the occupancy rate when accompanied by opening of new capacity.

Figure 5.3: Trends in beds, residents, and occupancy



Occupancies across the different service types for each DHB region are shown in Table 5.1.

Table 5.1 Occupancy across each DHB for service types excluding ORAs, March 2020

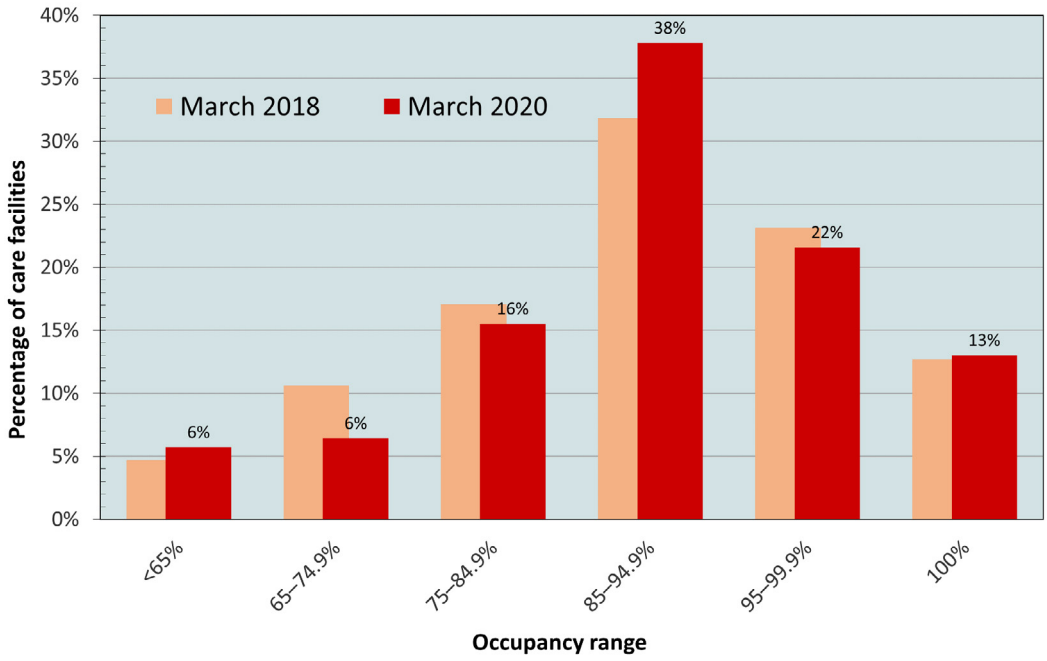
DHB	Service (excluding ORAs)							Overall Occupancy excl. ORAs
	Dedicated rest home beds	Dedicated hospital beds	Dual service beds	Dementia beds	Psycho-geriatric beds	Dedicated YPD beds	Other beds	
Northland	86.7%	89.8%	79.5%	84.0%	80.0%		33.3%	85.2%
Waitemata	84.1%	92.3%	91.1%	86.4%	89.5%	100.0%	50.0%	89.3%
Auckland	91.0%	88.4%	86.7%	83.8%	91.5%	91.7%	100.0%	87.9%
Counties Manukau	88.1%	93.9%	92.8%	92.7%	94.6%	100.0%	0.0%	91.7%
Waikato	93.5%	89.2%	92.8%	86.7%	94.4%	0.0%	65.0%	91.1%
Lakes	91.3%	89.1%	67.8%	90.8%	80.0%	100.0%	25.0%	80.1%
Bay of Plenty	90.2%	91.3%	86.7%	93.6%	64.4%			88.7%
Tairawhiti	82.3%		81.2%	78.0%				80.9%
Taranaki	89.7%	79.6%	89.2%	90.2%	80.0%		77.8%	88.9%
Hawke's Bay	94.7%	93.1%	88.4%	99.5%	100.0%			92.9%
MidCentral	82.3%	92.7%	91.8%	88.4%	94.4%	100.0%	70.0%	88.3%
Whanganui	90.7%	79.7%	93.8%	97.8%	90.0%		100.0%	91.6%
Capital and Coast	88.7%	86.2%	90.1%	96.4%	97.6%	100.0%	25.0%	89.6%
Hutt Valley	95.4%	96.2%	93.4%	95.0%	100.0%	60.0%	72.7%	94.3%
Wairarapa	87.6%	89.2%	82.2%	77.6%			50.0%	83.4%
Nelson Marlborough	91.0%	92.7%	90.1%	91.6%	85.7%		0.0%	90.5%
West Coast	90.0%	96.7%	89.4%	100.0%	100.0%			91.8%
Canterbury	90.0%	89.9%	90.5%	88.2%	97.3%		0.0%	90.1%
South Canterbury	88.2%	93.2%	82.8%	95.9%	80.0%		50.0%	87.5%
Southern	90.3%	95.3%	90.5%	92.4%	93.8%		50.0%	91.6%
National	**89.5%**	**90.8%**	**89.0%**	**89.5%**	**92.3%**	**86.3%**	**54.2%**	**89.5%**

Care facility occupancy ranges

Thirty-five per cent of care facilities were at "full" occupancy in March 2020. Full occupancy is conventionally defined in the industry as an occupancy of 95% or more (Figure 5.4). This includes the 13% of care facilities that have 100% occupancy. These percentages have changed little since March 2018, when 36% of care facilities were at full occupancy.

Thirty-eight per cent of care facilities in March 2020 had occupancy in the range 85–94.9%, up from 32% in in March 2018.

Figure 5.4: Percentage of care facilities within each occupancy band for 2018 and 2020



Occupancy by DHB

Figure 5.5 ranks the DHB regions by occupancy on 31 March 2020.

The DHB with the highest occupancy in the March 2020 quarter was Hutt Valley, at 91.9%, followed by West Coast (91.0%), Southern (90.6%) and Hawke's Bay (90.4%). At the other end of regional occupancy, Lakes was yet again the DHB region with lowest occupancy at 77.9%, followed by Wairarapa at 80.3%, and Tairawhiti at 82.3%.

Figure 5.5: Occupancy by DHB

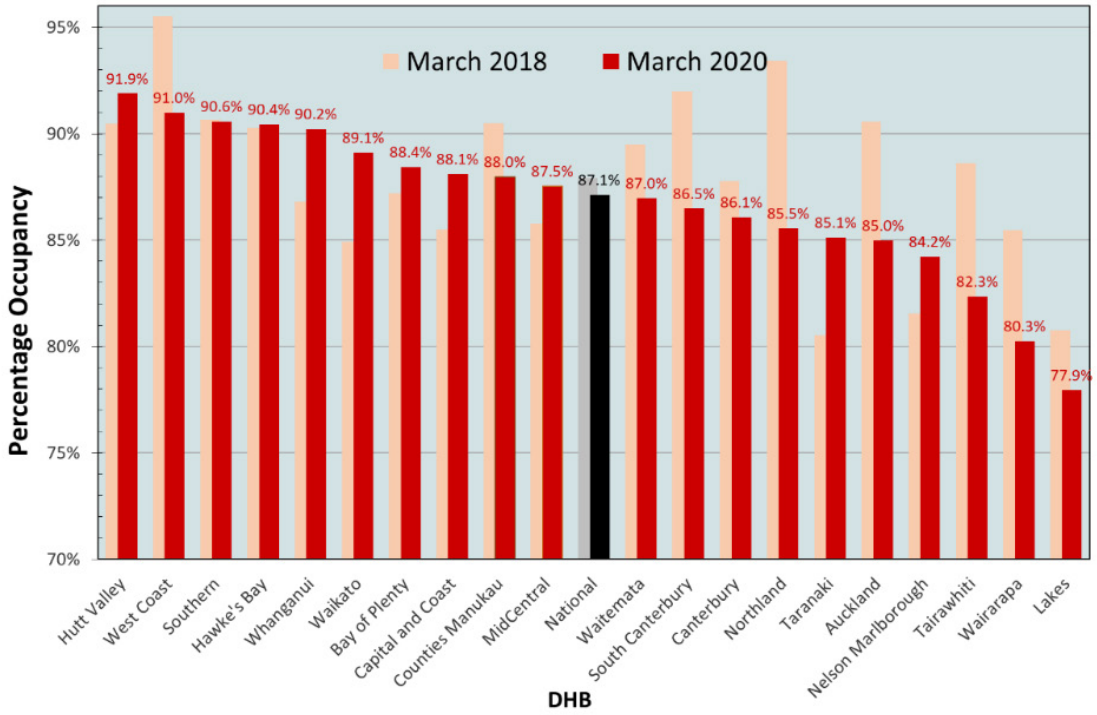


Table 5.2 presents data on the range of occupancies within each DHB region in March 2020.

Table 5.2: Range of overall occupancy across each DHB region, 31 March 2020

DHB	Minimum	10th percentile	Lower quartile	Median	Mean	Upper quartile	90th percentile	Maximum
Northland	10.5%	67.1%	84.1%	91.2%	85.5%	98.6%	100.0%	100.0%
Waitemata	22.2%	68.2%	80.8%	89.4%	87.0%	96.9%	100.0%	100.0%
Auckland	25.2%	73.8%	80.8%	88.3%	85.0%	94.8%	100.0%	100.0%
Counties Manukau	46.8%	83.0%	87.0%	91.3%	88.0%	97.6%	98.5%	100.0%
Waikato	57.4%	81.6%	86.0%	91.8%	89.1%	96.1%	100.0%	100.0%
Lakes	54.4%	62.7%	69.7%	81.4%	77.9%	93.7%	99.6%	100.0%
Bay of Plenty	46.4%	75.8%	82.9%	89.8%	88.4%	98.4%	100.0%	100.0%
Tairawhiti	53.3%	62.1%	75.3%	83.6%	82.3%	97.6%	98.1%	98.4%
Taranaki	56.0%	70.9%	81.5%	86.8%	85.1%	96.6%	98.4%	100.0%
Hawke's Bay	45.7%	73.7%	87.0%	92.5%	90.4%	97.7%	100.0%	100.0%
MidCentral	60.0%	75.0%	83.0%	92.1%	87.5%	97.2%	98.0%	100.0%
Whanganui	75.5%	78.2%	87.3%	90.0%	90.2%	97.7%	98.8%	100.0%
Capital and Coast	45.7%	71.2%	85.5%	92.0%	88.1%	96.6%	100.0%	100.0%
Hutt Valley	57.1%	85.3%	89.6%	94.3%	91.9%	99.1%	100.0%	100.0%
Wairarapa	50.0%	71.2%	75.8%	76.9%	80.3%	85.9%	93.5%	96.6%
Nelson Marlborough	65.4%	72.4%	79.6%	87.4%	84.2%	94.6%	96.5%	100.0%
West Coast	82.9%	84.4%	86.8%	88.1%	91.0%	96.7%	98.7%	100.0%
Canterbury	37.8%	68.6%	85.2%	92.3%	86.1%	96.5%	99.0%	100.0%
South Canterbury	60.0%	73.3%	80.4%	88.6%	86.5%	94.6%	96.9%	100.0%
Southern	70.3%	80.6%	88.9%	94.2%	90.6%	97.1%	100.0%	100.0%
National	**10.5%**	**72.4%**	**83.3%**	**91.7%**	**87.1%**	**97.0%**	**100.0%**	**100.0%**

Premium room services and ORAs

ARC facilities are funded under the ARRC (Age-Related Residential Care) Services Agreement with their DHB, to provide specified age-related residential care services. Increasingly, people entering care facilities are willing to pay an accommodation supplement to purchase premium room services[6].

Accommodation supplements for premium room services

Respondents to the NZACA Member Profiling Survey 2019 were asked about agreements with their residents to pay an accommodation supplement for premium room services. Premium rooms are rooms with services that are not included as part of the ARRC, which residents may pay a supplementary accommodation charge for. For example, such rooms may include ensuites, be larger, and/or have views.

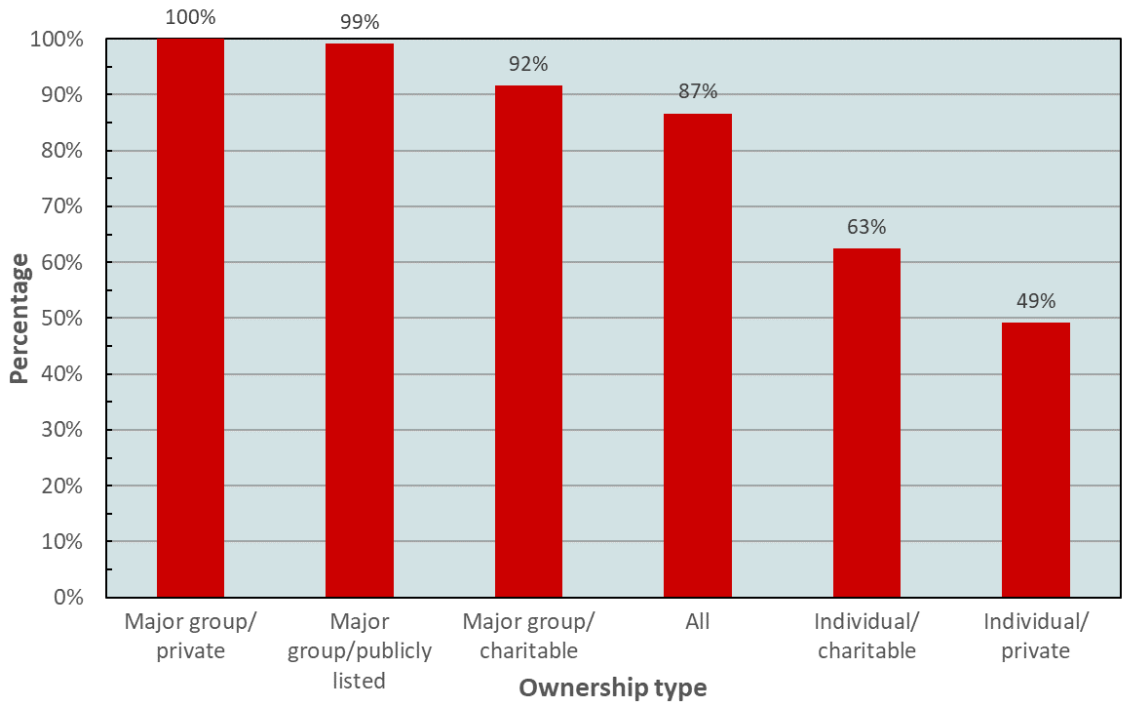
The great majority of ARC facilities in 2019 (some 87%) have agreements with some or all of their residents to pay accommodation supplements for premium room services (Figure 6.1). This continues the trend of an increasing percentage of care facilities offering premium room services.

Figure 6.1: % of facilities with agreements with residents to pay for premium room services

Differences in the percentage between care facilities of the various ownership types offering premium room services are shown in Figure 6.2. The percentage offering these is 100% among major group/private care facilities and near this level in major group/publicly listed facilities. In contrast, only 63% of individual/charitable and 49% of individual/private facilities offer premium room services. Among the 87% of all care facilities that offer premium room services, the median of the percentage of residents who pay the accommodation supplement required for premium rooms is 53%.

[6] Refer Section 13 of the ARRC Services Agreement for provisions on premium room services.

Figure 6.2: Percentage of ARC homes with agreements with their residents to pay accommodation supplements for premium room services



Median Accommodation Supplements

NZACA Survey respondents were asked to provide their typical accommodation supplements for specified types of premium rooms. Results are shown in Table 6.1.

The most common type of premium room is a standard sized room with an ensuite bathroom/toilet. The median accommodation supplement for this is $16.39/day. The next most common type of premium room is a larger room with ensuite, the median accommodation supplement for this is $21.00/day.

Table 6.1: Typical daily accommodation supplements for premium room services

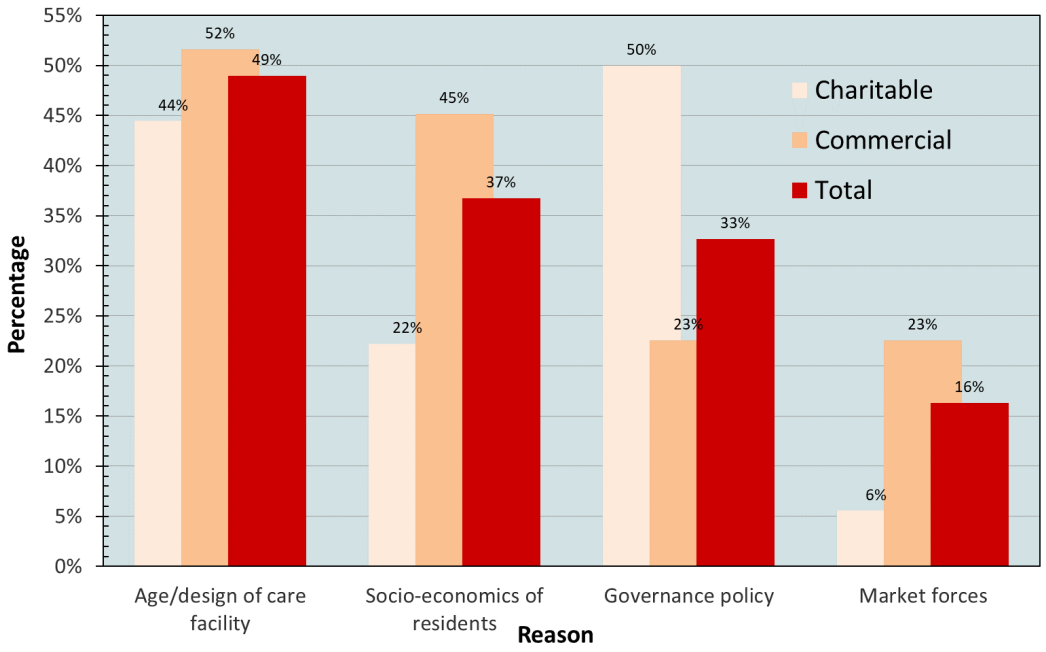
Premium room type	Lower Quartile	Median	Upper Quartile	*n=*
Standard sized room with ensuite, standard view	$15.00	**$16.39**	$32.42	*89*
Standard sized room without ensuite, premium view	$11.25	**$15.00**	$15.00	*14*
Standard sized room with ensuite, premium view	$22.50	**$37.00**	$39.00	*27*
Larger room with ensuite, standard view	$20.00	**$21.00**	$25.00	*53*
Larger room with ensuite, premium view	$24.38	**$37.50**	$61.25	*40*
Larger room without ensuite, standard view	$5.74	**$10.38**	$15.00	*12*
Larger room without ensuite, premium view	$10.00	**$20.00**	$25.00	*13*
Toilet only or shared ensuite	$10.00	**$10.00**	$21.54	*5*
Other	$15.00	**$30.00**	$57.00	*39*

Reasons for not providing premium room services

The care facilities which do not have agreements with residents to pay accommodation supplements for premium room services were asked the reason for this. Their responses are shown in Figure 6.3.

The most frequently cited reason for not charging accommodation supplements is the age and/or design of the care facility (49%). However, among care facilities owned by charitable entities the most frequently cited reason is governance policy (50%). Socio-economic status of the residents is given as a reason for 45% of those care facilities owned by commercial entities which do not charge accommodation supplements.

Figure 6.3: Reasons for not offering premium room services by ownership type



Base: care facilities which do not offer premium room services

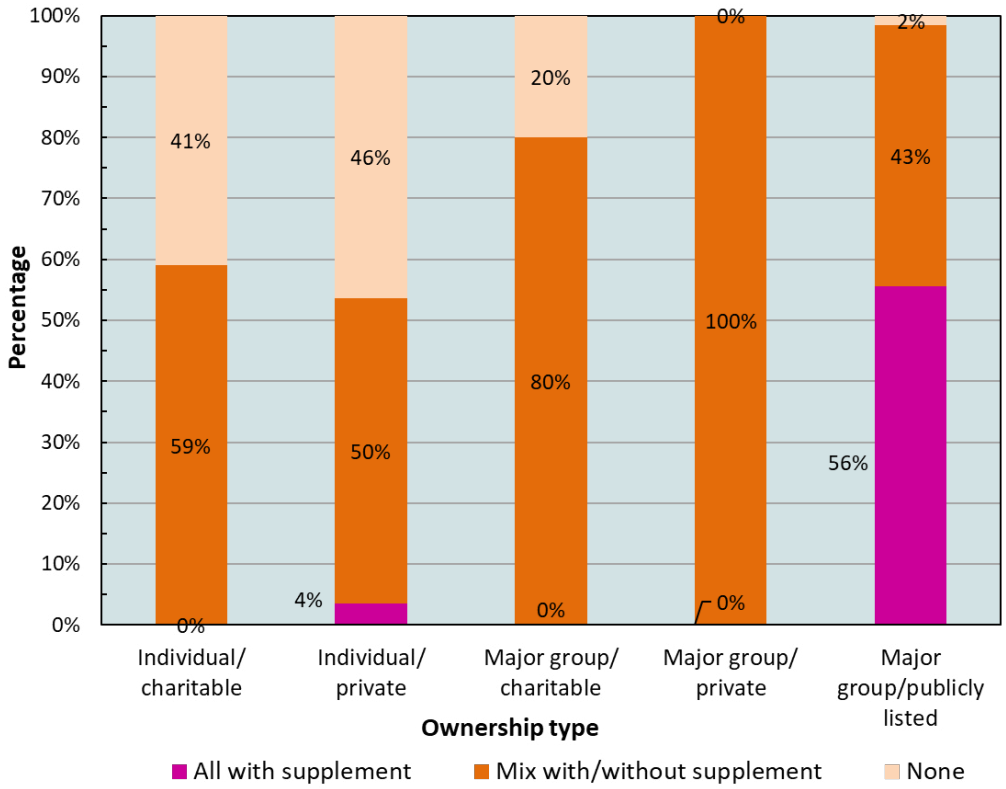
Premium room services and standard rooms

In December 2019, 58% of responding care facilities operated a combination of premium rooms carrying an accommodation supplement and standard rooms, while 24% had all standard rooms and 19% had all premium rooms carrying accommodation supplements.

The percentages of respondent care facilities offering each combination of room types are shown, by ownership type, in Figure 6.4.

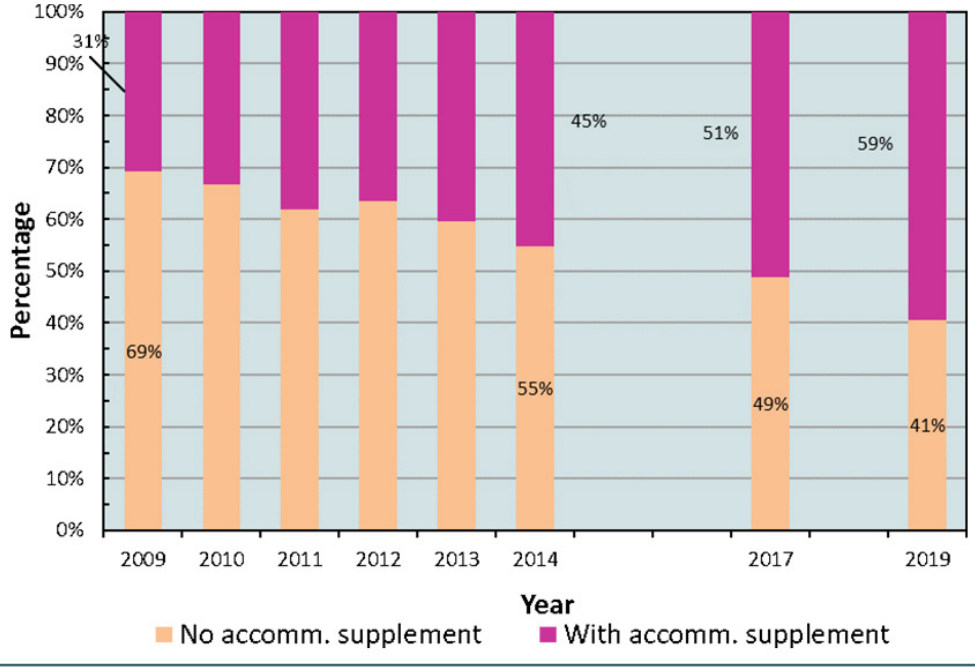
- Care facilities belonging to publicly listed groups have the highest percentage of premium room-only care facilities (56%).
- Zero individual/charitable facilities operated premium room-only care facilities.
- Individual/private facilities have the highest percentage of standard room-only care facilities (46%).

Figure 6.4: Proportion of care facilities in 2017 providing bed types by ownership type



The long-term trend in split in supply between premium services rooms carrying an accommodation supplement and standard rooms is shown in Figure 6.5. Results of the 2019 NZACA Survey show the continuing trend of premium rooms increasing as a percentage of total rooms.

Figure 6.5: Proportion of rooms with accommodation supplements to standard rooms



We first noted in the 2017 survey that premium services rooms had become (at 51%) the majority of ARC room supply. This percentage has now risen to 59%, with only 41% of rooms now being standard rooms.

Room sizes

A standard room is described as a room up to 11m^2 where the resident is not required to pay an accommodation supplement . Respondents were asked about the average size of three types of room (Table 6.2).

- Standard rooms - the median size of room that respondents classify as standard is 12m^2.
- Premium rooms for which accommodation supplements are charged. The median size of these is 18m^2.
- The median size of rooms regarded as premium but for which accommodation supplements are not charged is 15m^2.

Table 6.2: Size of rooms at care facility

	Standard Room (sq. m)	Premium room for which accommodation supplement charged (sq. m)	Premium room for which accommodation supplement not charged (sq. m)
Lower Quartile	11.0	14.0	12.8
Median	12.0	18.0	15.0
Upper Quartile	12.6	22.0	18.3

Homecare services

Only 3% of care facilities responding to the NZACA Member Profiling Survey of December 2019 offered homecare services to people in their local community.

Respite services

Ninety-six per cent of care facilities offered respite services. This percentage is 100% among facilities belonging to major groups and 92% among individual care facilities.

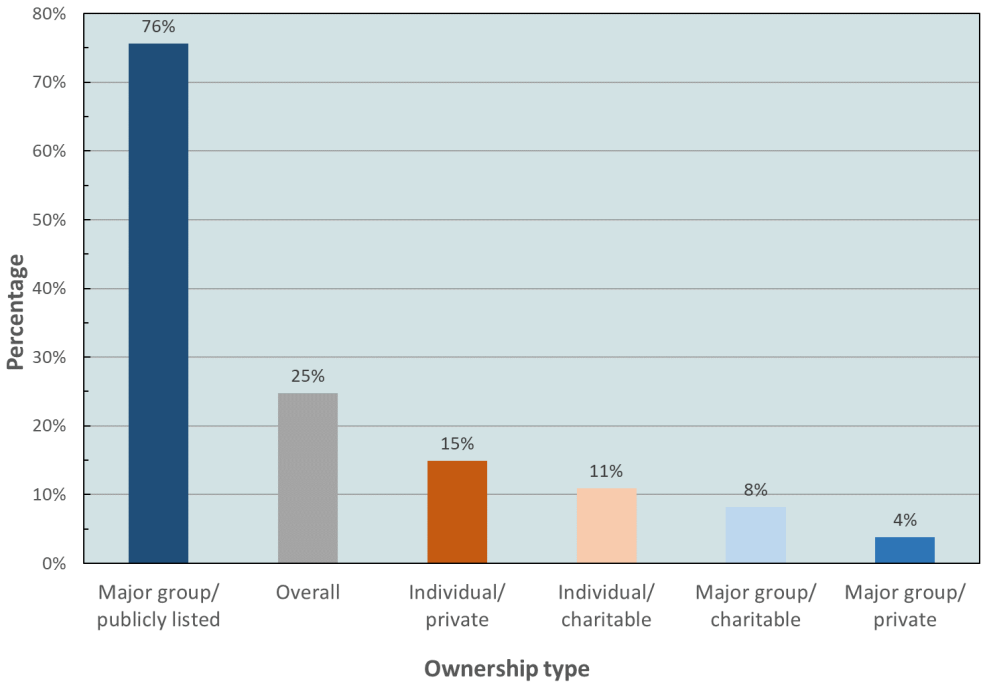
Day care services

Sixty-five per cent of care facilities offered day care services. This percentage is lower among individual care facilities (60%) than among major group care facilities (71%).

Provision of ORA beds

Twenty-five percent of NZACA member care facilities that provide rest home, hospital, or dual service beds include ARRC-certified ORA beds. Figure 6.6 illustrates the variation in provision of ORA beds across the ownership types, which ranges from 76% for facilities owned by publicly listed major groups to only 4% for major group/private facilities.

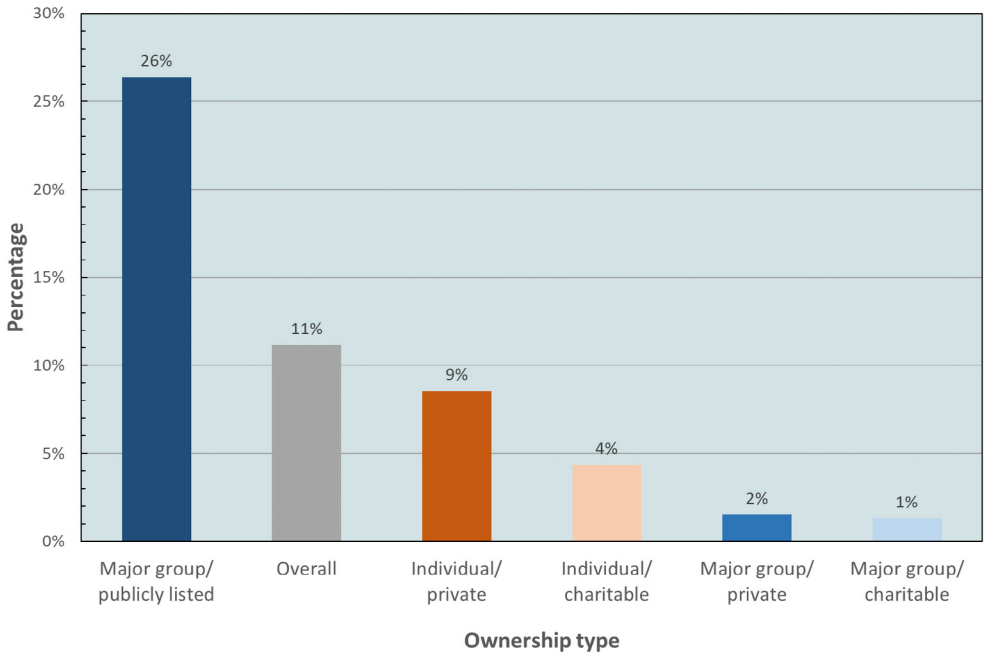
Figure 6.6: Percentage of facilities with RH, hospital or dual service beds that offer ORA beds



Source: TAS Quarterly Reporting Survey, March 2020
Base: NZACA member care facilities that provide rest home, hospital, or dual service beds.

Of the 30,740 rest home, hospital or dual service beds provided by NZACA members in March 2020, some 3435, or 11%, are ORA beds (Figure 6.7). This percentage ranges from 26% for publicly listed major groups to less than 2% for Major group/charitable facilities.

Figure 6.7: Percentage of rest home, hospital or dual service beds that are ORA beds



Source: TAS Quarterly Reporting Survey, March 2020
Base: NZACA member care facilities that provide rest home, hospital, or dual service beds.

ARC workforce

The NZACA Member Profiling Survey (December 2019) analysed 17 staff categories of the ARC workforce. These 17 categories are split into two broad groups: care and non-care staff.

- Care staff refers to employees working directly with residents and their care needs. This includes nurse/clinical managers, registered nurses, enrolled nurses, caregivers, diversional therapists, occupational therapists and physiotherapists and assistant physiotherapists.
- Non-care staff refers to employees who do not have direct contact with residents and their care needs including facility managers, office administration staff, chefs (qualified), cooks (unqualified), kitchen hands, garden/maintenance staff, cleaning and laundry staff, and home assistants[7].

While care facilities may employ other types of staff, they are not included in this survey. Only staff directly employed by care facilities are included.

Staff

A total of 23,420 staff members were employed across the 17 staff categories by the 373 care facilities providing employment data. The breakdown of employees by category is shown in Table 7.1.

Table 7.1: Workforce in respondents' care facilities by staff category

Staff Category		Number of staff	Number of staff departures in past 12 months	Annual turnover rate
Care Staff	Clinical Manager	347	77	22%
	Registered Nurse	3,188	1,047	33%
	Enrolled Nurse	296	49	17%
	Caregiver	12,131	2,804	23%
	Activities coordinator	895	176	20%
	Occupational Therapist	17	4	24%
	Physiotherapist	16	5	31%
	Assistant Physiotherapist	55	14	25%
	TOTAL Care Staff	**16,945**	**4,176**	**25%**
Non-care staff	Facility Manager	327	56	17%
	Office Administration Staff	773	130	17%
	Chef (qualified)	338	82	24%
	Cook (unqualified)	454	75	17%
	Kitchen Hand	1,247	379	30%
	Gardening/Maintenance Staff	637	164	26%
	Cleaning Staff	1,477	352	24%
	Laundry Staff	683	134	20%
	Home assistants	539	281	52%
	TOTAL Non-Care Staff	**6,475**	**1,653**	**26%**
TOTAL STAFF		**23,420**	**5,829**	**25%**

[7] Home assistants carry out non-care roles – for example they might set and clear tables, help with serving of meals, make cups of tea, shut curtains, turn back beds and hang up clothes.

We can estimate the total number of workers in ARC by scaling up respondents' staff according to their share of total ARC residents. This suggests there are approximately 36,000 workers (full time and part time) in the ARC industry.

Care workforce

Table 7.2 presents a breakdown of registered nurses, enrolled nurses, caregivers and activities coordinators by employment status (full time or part time).

Turnover of RNs over the year to December 2019 was some 33%. This is down on the 38% observed in our May 2019 RN Pay and Turnover survey. This reduction suggests the lump sum payments made by the DHBs to ARC providers in the 2018/19 year (to restore the relativities in RN pay that prevailed prior to the pre-DHB/NZNO MECA (Multi-Employer Collective Agreement) of June 2018) were at least partially successful in slowing the flow of RNs from ARC to the DHBs.

Turnover of caregivers in the year to December 2019 was 23%, down from 27% in December 2017. This fall may be because caregivers, whose position on Pay Equity pay scale is based on years' experience with a sole employer, have a disincentive to leave their current position. Changes to the Essential Skills Work Visa might also have had an effect in reducing turnover.

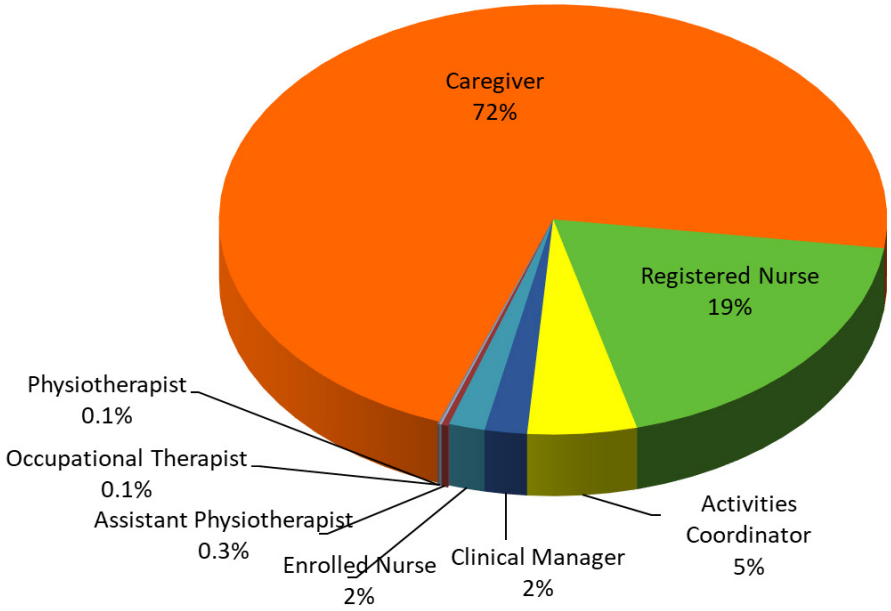
Turnover of RNs is higher for those in full time (34%) than part time (30%) positions. However, the opposite is the case for caregivers; full time workers have turnover of 22% and part time workers 24%.

Table 7.2: Nursing and caregiving workers in Member Profiling Survey respondents' care facilities by Full time and Part time

	Employment Status	Employed by respondents	Percentage by employment status	Departures over last year	Working out notice	Annual Turnover
Registered Nurses						
	Full Time	2,303	72.2%	783	20	34%
	Part Time	885	27.8%	264	6	30%
	Total	3,188	100.0%	1,047	26	33%
Enrolled Nurses						
	Full Time	151	51.0%	24	0	16%
	Part Time	145	49.0%	25	1	17%
	Total	296	100.0%	49	1	17%
Caregivers						
	Full Time	5,849	48.2%	1,277	17	22%
	Part Time	6,282	51.8%	1,527	12	24%
	Total	12,131	100.0%	2,804	29	23%
Activities coordinators						
	Full Time	429	47.9%	67	4	16%
	Part Time	466	52.1%	109	3	23%
	Total	895	100.0%	176	7	20%

Caregivers accounted for the largest proportion of the care workforce in 2019 (72%). RNs made up 19% of care staff, followed by activities coordinators at 5%. This is reflected in Figure 7.1.

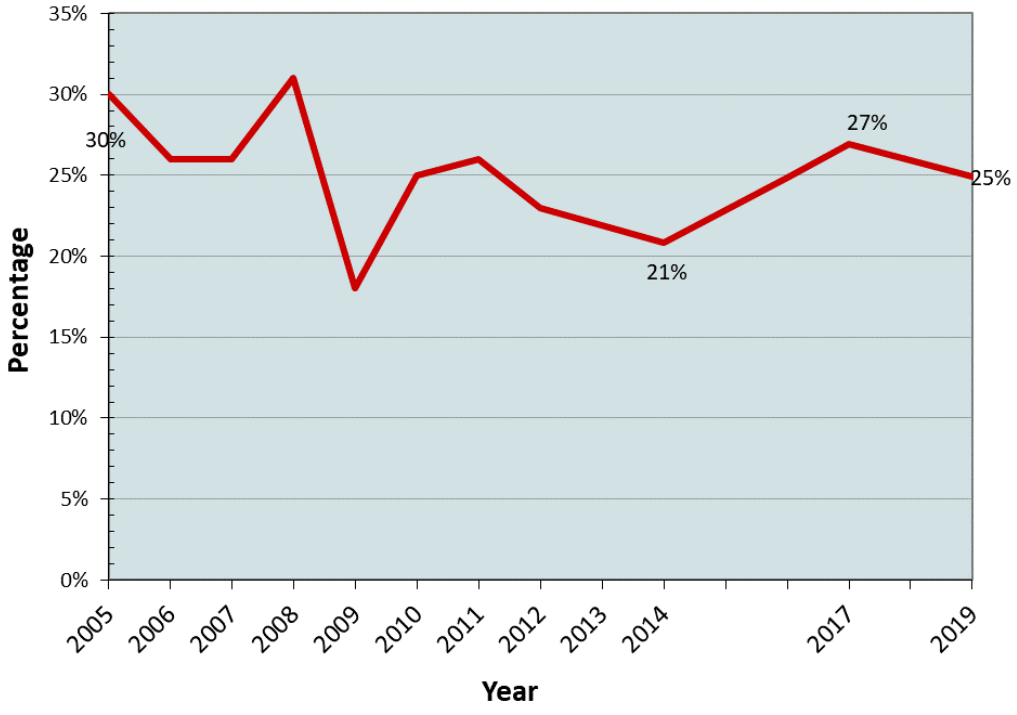
Figure 7.1: Composition of the care staff workforce in December 2019



Annual turnover

Annual turnover is the number of staff members within a particular staff category who departed in the previous twelve months, expressed as a percentage of the employees in that staff category. Turnover across all 17 staff categories in 2019 was 25%. This is slightly down on the 27% turnover recorded in the 2017 NZACA Member Profiling Survey.

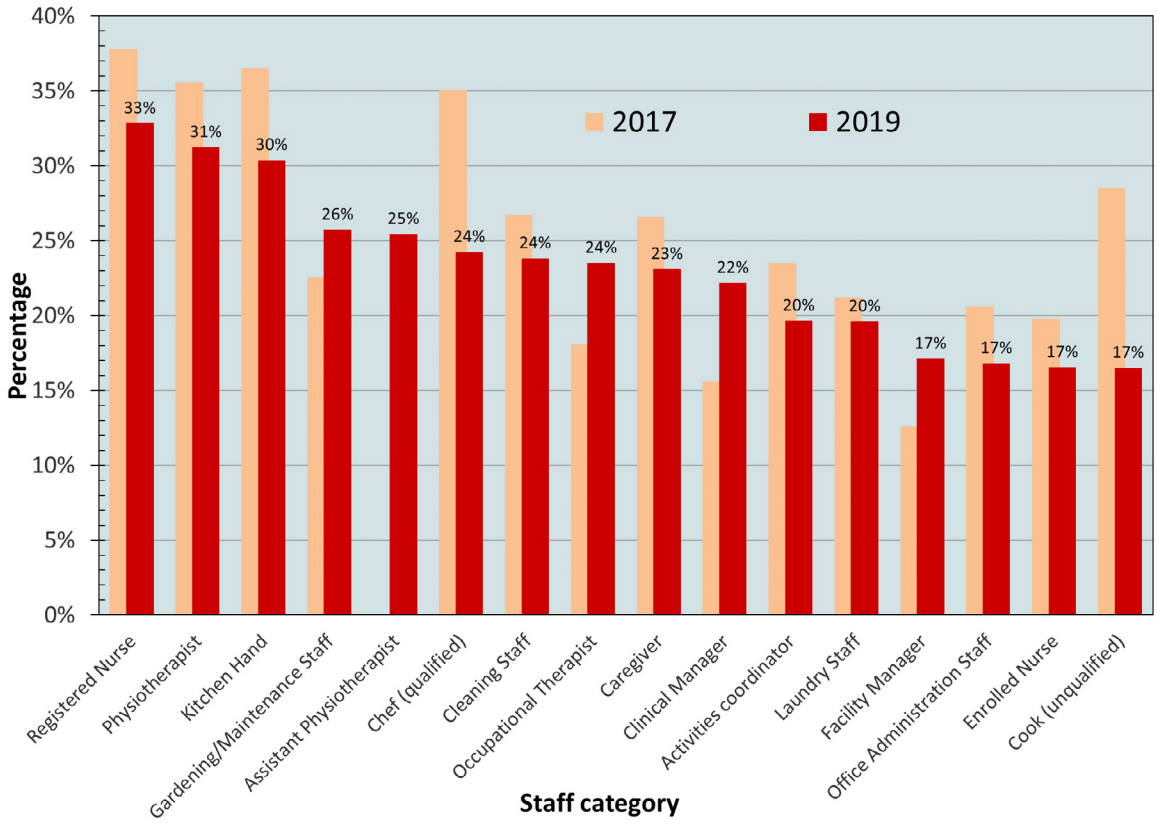
Figure 7.2: Twelve-year trend in annual turnover of the ARC workforce



Annual turnover by staff category is shown in Figure 7.3 below, in descending order of 2019 turnover. The chart also includes 2017 NZACA Survey results to show how turnover shifted over the intervening two years.

- The staff category with the highest turnover rate recorded in 2019 is the registered nurse category, at nearly 33%. This is down from the 38% for 2017.
- Turnover of caregivers has also decreased from 27% recorded in 2017 to 23% in 2019.
- In contrast, turnover of clinical managers has increased. In 2019 it stood at 22%, up from 16% in 2017.
- There has been a reduction in turnover of some categories of non-care staff. This is notable for chefs (qualified), down to 24% in 2019 from 35% in 2014, and cooks (unqualified), down from 29% in 2017 to 17% in 2019.

Figure 7.3: Annual turnover of staff in respondents' ARC facilities in 2017 and 2019



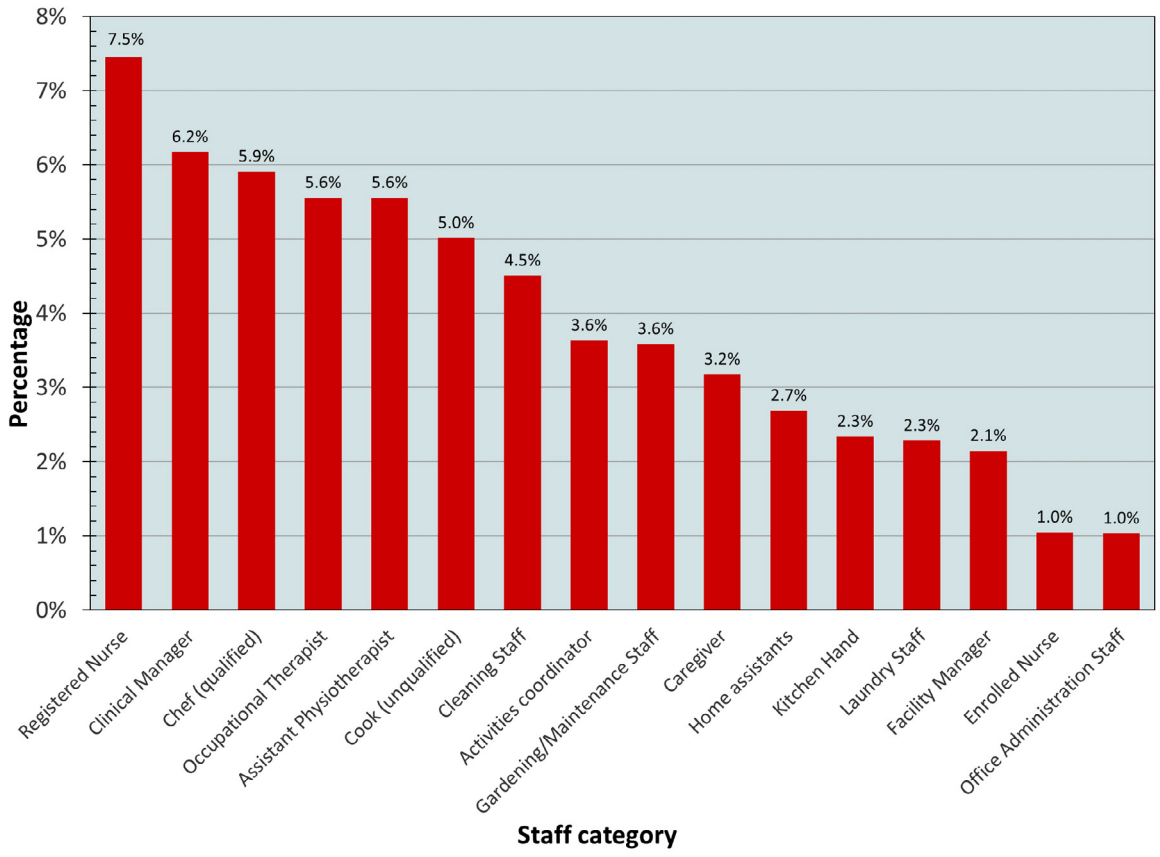
Vacancies

Vacancies refer to the number of unfilled positions within an ARC facility on the day they responded to this survey in December 2019. This gives a snapshot of vacancies.

Overall, 3.8% of all staff positions were reported as vacant at the time of surveying[8]. The vacancy rate by staff category is show in Figure 7.4

Registered nurses had the highest vacancies as a percentage of the assumed workforce (7.5%, followed by clinical managers (6.2%).

Figure 7.4: Vacancies in respondents ARC facilities by staff category, December 2019



[8] As a percentage of the assumed workforce; the assumed workforce is the total employed workforce plus the number of vacant positions.

Where ex-employees went

Respondents were asked about where their departing caregivers and activities coordinators went, if known. This information can indicate whether a departure represents a net loss to the ARC industry as a whole, which is helpful for industry workforce planning purposes.

Results are show in Table 7.3. Only some 25% of caregivers whose destination is known leave to take up a position with another ARC provider. This is figure is much higher for activities coordinators, at 49%. Some 17% of caregivers are thought to be joining a DHB or other health sector employer. Some 30% of caregivers are known to be leaving the health workforce either to take up another occupation, for family reasons or retirement.

Approximately 70% of leaving caregivers are thought by respondents to be leaving the ARC industry, and the estimate is 50% for activities coordinators.

Table 7.3: Where Caregivers and activities coordinators who left care facilities went in past year, if known.

Where they went	Caregivers (%)	Activities coordinators (%)
To another Aged Residential Care provider	25%	49%
To a DHB or other non-aged care NZ health sector employer	17%	5%
Overseas due to visa expiry (international HCAs)	3%	0%
Overseas for other reasons (international HCAs)	6%	0%
Overseas (NZ HCAs)	2%	0%
Out of the health workforce	30%	22%
Studying or completed studies as NZ registered RNs or doctors	5%	
Other	12%	24%
Total caregivers leaving of which destination known	100%	100%
Total leaving the ARC industry	70% approx.	50% approx.

Note: Some "other" reasons cited by respondents include moving other regions, and some of these ex-employees may have taken up ARC employment there.

Immigration

In this chapter we present the results of questions in the 2019 NZACA Member Profiling Survey on the contribution migrant staff make to the aged residential care industry.

Registered nurses and managers

The survey data indicates that some 39% of the RN workforce in the ARC industry are on visas (Table 8.1). The percentage is much lower for managers. Some 17% of clinical managers are on visas, and only 5% of facility managers are.

Table 8.1 Percentage of Registered Nurses on visas

	Percentage
Registered Nurses	39%
Clinical Managers	17%
Facility Managers	5%

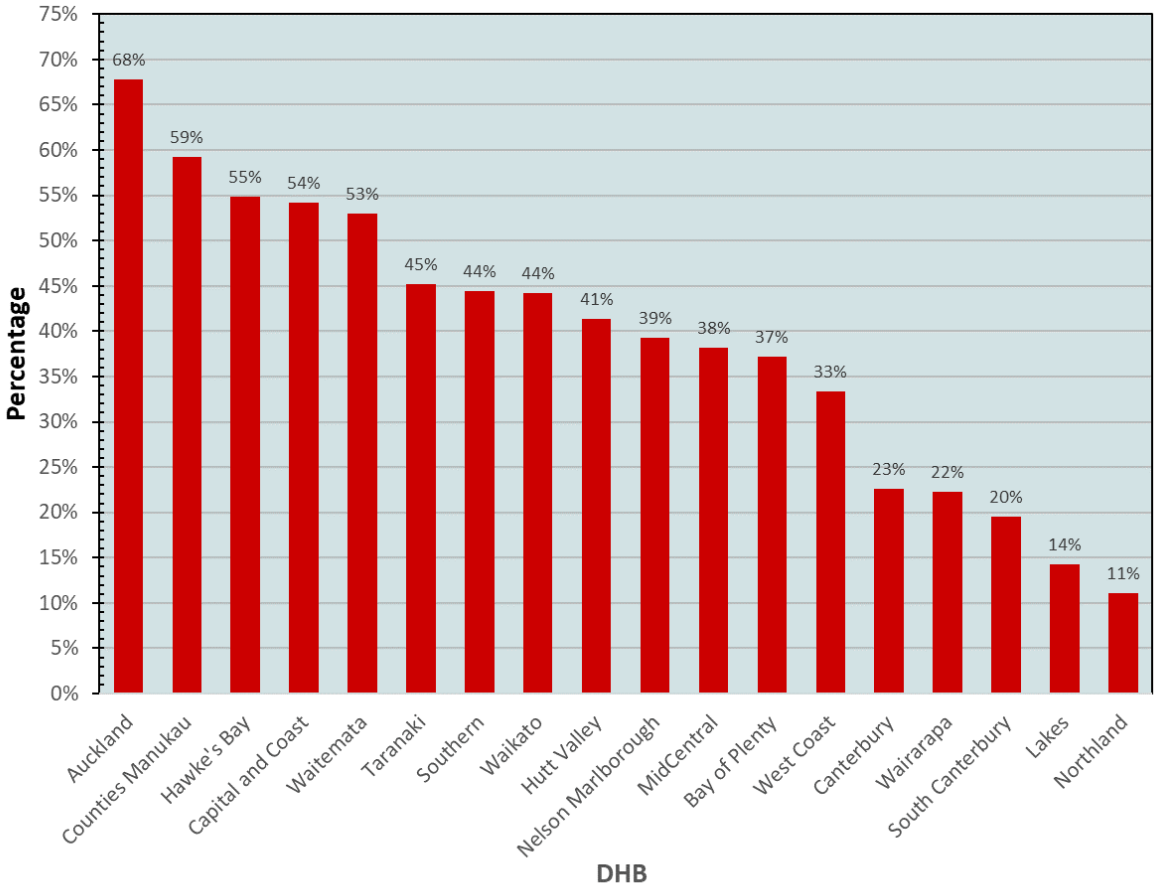
Table 8.2 shows how those nurses and managers break down by type of visa. Most common for RNs are Long Term Skill Shortage List work visa (39% of RNs on visas).

Table 8.2 Breakdown of RNs on visas by type of visa

Visa type	RNs on visas	Clinical Nurse Managers on visas	Facility Managers on visas
Long Term Skill Shortage List Work or other Work to Residence visa	39%	56%	29%
Long Term Skill Shortage List Resident visa, Skilled Migrant Category Resident visa or other Resident visa RNs	23%	34%	57%
Essential Skills Work Visa or other temporary visa that is NOT work to residence	24%	6%	7%
Is an IQN but no information on visa type or residence status available	6%	0%	7%
Other	8%	4%	0%
Total on visas	100%	100%	100%
Base: nurses and managers on visas			

Figure 8.1 shows the contributions to the ARC RN workforce from those on visas by DHB region. The percentage on visas is highest in Auckland DHB, at around 68%, followed by Counties Manukau on 59%.

Figure 8.1: Percentage of RN workforce on visas by DHB region



Caregivers

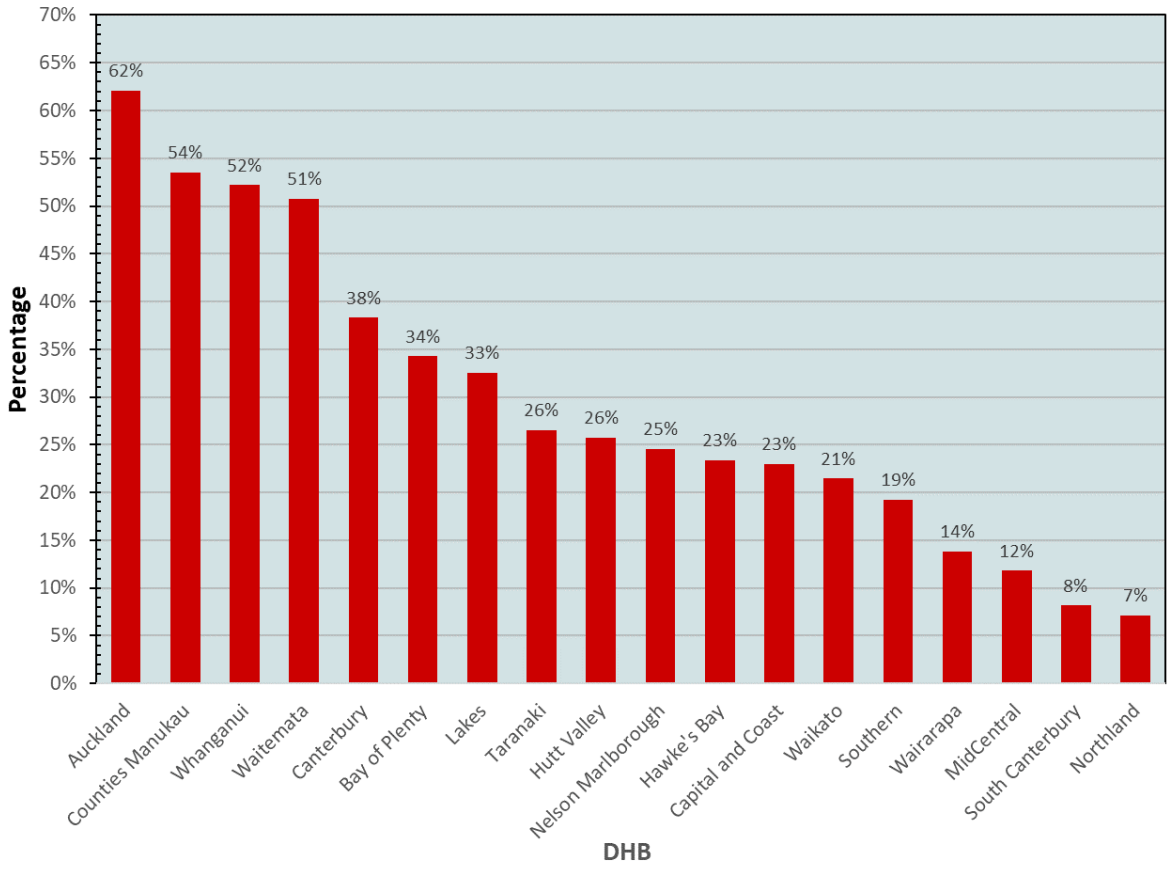
Some 40% of the caregiver workforce are migrants on visas, a similar percentage to RNs. A breakdown on the caregiver workforce by broad type of visa is shown in Table 8.3.

Table 8.3 Breakdown of Caregivers on visas by type of visa

Visa type	Percentage
Temporary work visa	64%
Resident visa	19%
Unknown visa type	17%
Total	100%
Base: caregivers on visas	

Figure 8.2 shows the contributions to the caregiver workforce from those on visas by DHB region. Again, the percentage on visas is highest in Auckland DHB, at around 62%, followed by Counties Manukau on 54%.

Figure 8.2: Percentage of caregivers on visas by DHB region



Some 14% of the remainder of the ARC workforce (other than RNs, managers, and caregivers) are migrants on visas.

Country of origin

The distribution of the RN and caregiver workforces who are on visas are shown in Table 8.4. The Philippines is the most common country of origin for both RNs (41%) and caregivers (35%). The next most common is India, which is the country of origin for 32% of RNs and 26% of caregivers.

Table 8.4 Country of origin of workers on visas

Country of origin	Registered Nurses (%)	Caregivers (%)
Philippines	41.3%	34.7%
India	31.9%	26.1%
Malaysia	0.4%	0.1%
Indonesia	0.2%	0.3%
Other Asia	2.7%	8.1%
Pacific Islands	1.8%	17.4%
United Kingdom and Irish republic	1.6%	2.7%
Rest of Europe	0.5%	1.6%
South Africa	0.5%	2.6%
North America	0.7%	0.1%
South America	0.0%	1.1%
Other	1.3%	0.5%
Unknown	17.0%	3.2%
Other Africa	0.0%	1.5%
Total	**100.0%**	**100.0%**

Length of employment of Registered Nurses

Table 8.5 presents findings on the length of RNs' employment at ARC facilities, and how this duration relates to experience and whether they are New Zealand (NZQN) or internationally qualified (IQN) nurses. Median length of employment for NZQN graduates is around 2 years, and the length of time is similar for IQNs newly registered to practice in New Zealand. For both NZQNs and IQNs with around 2-4 years' experience the median length of employment is also around 2 years.

Both NZQNs and IQNs with five or more years' experience on starting jobs tend to stay longer, with median length of employment of around 5 years for NZQNs and 4 years for IQNs.

Table 8.5 Length of employment of Registered Nurses

	Median length of employment (years)
NZ Qualified, graduates	2
NZ Qualified, 1-4 years' experience	2
NZ Qualified, 5+ years' experience	5
IQNs with new NZ registration on a Work to Residence (LTSSL) visa	2
IQNs with 2-4 year's NZ experience and on a LTSSL (or similar) Resident Visa	2
IQNs, 5+ year's NZ experience on a Resident Visa or with citizenship	4
Others	1.8

These results indicate there is generally little advantage to ARC employers in hiring NZQNs over IQNs in terms of the time they are likely to remain at the facility. However, there is some indication that experienced NZQNs may stay a little longer than experienced IQNs.

Respondents were invited to comment on the length of employment of RNs in their care facilities. Several respondents commented that length of employment of RNs has declined significantly since the DHB/NZNO MECA of July 2018. One provider commented that "traditionally RNs have stayed 5-10 years". Providers find that while they may still have some long-term RNs, their RN staff are increasingly younger IQNs who leave for employment at DHBs soon after they gain residency. This is particularly the case for ARC facilities in rural areas, as IQNs are attracted to cities. Respondents comment that it is now rare to receive applications for RN positions from NZQNs.

Achievement of pay parity of RNs in ARC with those working in DHB hospitals is seen as an essential step towards increasing the length of RN employment, with benefits of reduced training costs and improved leadership skills.

Initiatives to recruit and retain New Zealanders

Respondents were asked about the initiatives they have in place, or are developing, to recruit and/or retain more New Zealand citizens in nursing, caregiving and other roles.

For recruitment and retention of NZ nurses and caregivers, ARC providers aim to provide supportive, healthy, and happy workplaces that have a reputation as a good place to work. As well as helping with retention, this leads to word-of-mouth recruitment. One respondent commented that by taking this approach they "haven't advertised for staff for over a year".

To recruit New Zealand nurses, it is common to provide part-time caregiving employment to nursing students. Once they have graduated, they are given placements under the Nurse Entry to Practice (NETP) scheme. Continuing training and mentoring to achieve Post Graduate qualifications is also seen as key to retaining nurses.

Many respondents commented that gaining the funding to offer RNs a pay package (including penal rates provisions) that is competitive with that offered by DHBs is essential to improving recruitment and retention of NZQNs.

For recruiting NZ caregivers, ARC providers work with schools, training providers, and Work and Income NZ (WINZ) to find school leavers and others with the interest and potential to work as caregivers. Providers have training contracts with WINZ to train beneficiaries to become caregivers. Participation in WINZ's Mana in Mahi – Strength in Work programme was mentioned. Some providers employ unqualified people in non-contact roles as home assistants or kitchen hands before they move into caregiving positions. A few providers have their own private training establishments to train caregivers. Some providers use community social media pages to advertise caregiving positions.

Remuneration

The standard hourly wage rates of ARC employees within the 17 staff categories are discussed in this section.

The wage rates discussed here are standard hourly remuneration rates of staff at responding care facilities. These standard hourly wage rates include premiums paid by respondents for training and/or long service. They do not include penal rates paid for overtime, weekend work or night shift work. The rates reflect the wages of staff employed directly by ARC facilities and do not include people who work as contractors.

Standard hourly wage rates

Table 9.1 shows the median standard base hourly wage rate ranges for 15 staff categories (excluding caregivers and activities coordinators) directly employed by ARC facilities in New Zealand. Lower and upper quartiles are also given. For comparison, the minimum hourly wage was $17.70 on 1 April 2019[9] and median hourly earnings in 2019 are $25.10[10].

Table 9.1 Base hourly wage rates by staff category December 2019

Staff Category		Lower Quartile	Median	Upper Quartile
Care Staff	Clinical Manager	$37.29	**$41.00**	$42.00
	Registered Nurses	$29.00	**$31.00**	$34.00
	Enrolled Nurses	$25.85	**$26.50**	$27.00
	Occupational Therapist	$25.00	**$25.00**	$35.00
	Physiotherapist	$29.30	**$36.12**	$65.00
	Physiotherapy Assistant	$23.00	**$23.02**	$23.02
Non-care Staff	Facility Manager	$46.20	**$46.21**	$51.92
	Office Administration Staff	$21.25	**$23.78**	$24.50
	Chef (qualified)	$22.50	**$23.48**	$26.24
	Cook (unqualified)	$20.00	**$20.00**	$20.84
	Kitchen Hand	$18.00	**$18.20**	$20.18
	Gardening/Maintenance Staff	$22.50	**$23.60**	$24.68
	Cleaning Staff	$18.00	**$20.00**	$20.39
	Laundry Staff	$18.25	**$19.06**	$20.30
	Home assistants	$18.00	**$18.00**	$23.00

[9] Source: www.employment.govt.nz/hours-and-wages/pay/minimum-wage/previous-rates/
[10] Statistics NZ: Earnings for people in paid employment

Registered nurse progression

Respondents were asked, when their RNs experienced a change in pay grade, whether it was due to an annual stepped progression after graduation/NZ registration (similar to DHB nurses), or otherwise. Results are shown in Table 9.2.

The most common basis for an increase is annual stepped progression (38%). Some 36% of respondents said that progression depended on the outcome of a performance appraisal (generally annual).

Table 9.2 Basis for Registered Nurses to change pay grade

Basis for RN'S change in pay grade	Percent
Annual stepped progression for first 5 years approx.	38%
Depends on outcome of performance appraisal (generally annual)	36%
Annual funding increase/available budget	6%
Achieving training criteria	5%
Market for RNs	4%
N/A as manager only RN in facility	4%
Other	4%
Relativities with other occupations in facility	2%
No system in place	2%
Total	100%

Pay equity settlement employee mix

In this subsection we turn to the two staff categories covered by the pay equity settlement - caregivers and activities coordinators.

The Care and Support Workers (Pay Equity) Settlement Act 2017 sets pay rates at each of five bands , and the criteria for workers to be assigned to each pay band are determined by regulation under the Act. Here the focus is on the percentage of caregivers and activities coordinators in each pay band.

Figure 9.1 shows the distribution of caregivers across the pay equity pay bands and 9.2 shows this for activities coordinators. Comparison is made between these distributions in December 2019 (from the NZACA Member Profiling Survey) and in April 2018, as published in the ARC Industry Profile report 2017-18.

- The pay band with the largest share of the caregiver workforce in December 2019 was the highest, L4, at 34% (Figure 9.1). This was up from 24% in April 2018.
- Over the same period, the percentage of caregivers in the lowest pay band fell from 29% to 23%.
- The percentage of activities coordinators on L4 is 54% in December 2019 (Figure 9.2) considerably higher than the 34% of caregivers. It is also up on the April 2018 percentage of 43%.
- Some 20% of activities coordinators were at L0 in December 2019, down from 28% in April 2018.

The data in Figures 9.1 and 9.2 confirm a trend of the pay equity workforce becoming increasing concentrated in the higher care levels. The 61% of caregivers on L3 and L4 combined in December 2019 is considerably up on the 55% of April 2018. While this is a positive change in terms of improving the skills of the caregiver workforce (as intended by the pay equity settlement) it does increase wage costs. Providers' views on the balance between these two effects are considered below.

Figure 9.1: Comparing the split of Caregivers across the pay equity pay bands 2018-2019

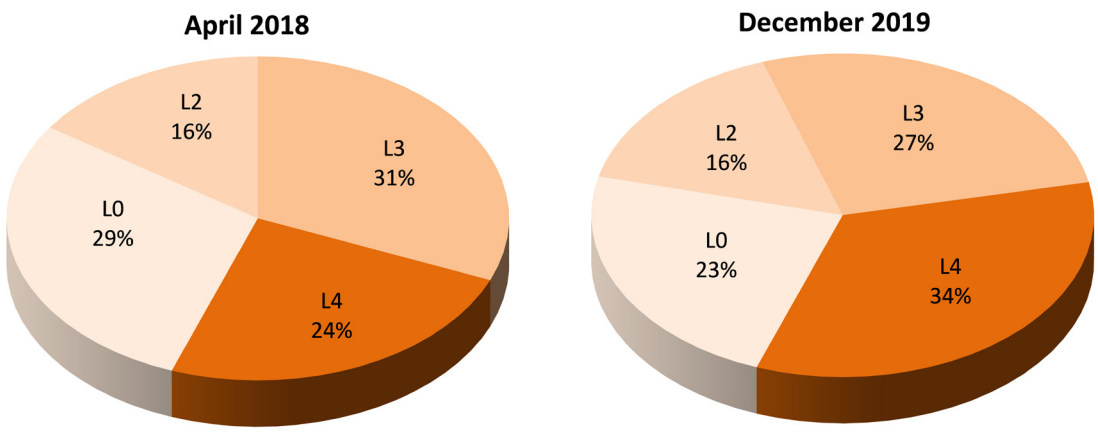
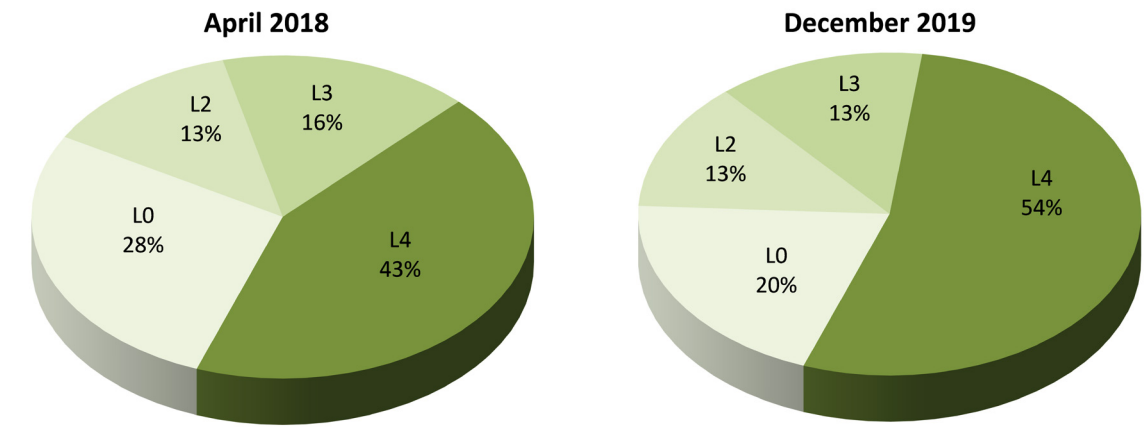


Figure 9.2: Comparing the split of Activities coordinators across the pay bands 2018-2019



Satisfaction with mix of caregivers across the pay bands

Respondents were asked for the views about the mix of caregivers and activities co-ordinators across the pay equity pay bands. They were asked about how well their current mix of caregivers and activities coordinators across the pay bands meets the needs of their care facility. The most common response (Table 9.3) was that the mix was appropriate (68%) and a further 8% were generally satisfied with it but noted that there are some cost pressures due to numbers of L4s. Some 18% commented that their mix of caregivers is "top heavy" i.e. they have more L4s than they need, and this is a cost burden. Only 4% said this about their activities coordinators, however.

Table 9.3 Appropriateness of current mix across pay equity pay bands		
	Caregivers (%)	Activities coordinators (%)
Appropriate	68%	80%
Appropriate but some cost stresses due to L4s	8%	4%
Top heavy/excessive L4s	18%	2%
Some with L4 qualification lack the corresponding skills	4%	2%
Challenging to recruit experienced caregivers	1%	
Need more L4's but can't get HCAs to do the training	1%	2%
Can't afford the skilled DTs they would like		4%
Need more skilled activities coordinators		7%
Total	100%	100%

Respondents were asked about whether they expect their mix of caregivers across the pay bands to change. Most said they expect a change (58% re caregivers, 59% re activities coordinators).

Table 9.4 Expectation of mix of caregivers to change	
	Percent
Yes	58%
No	34%
Don't know	8%
Total	**100%**

Respondents were then asked an open-ended question about how this change will impact their care facility. They expect the number of senior caregivers, in particular those on L4 to increase. Many respondents who expect this increase (44%) view it negatively due to the additional cost (Table 9.4). However, 25% view it positively due to contribution to improved care. Some 14% gave a mixed comment about improved care but at higher cost.

Table 9.5 How will this change impact your care facility	
	Percent
Increasing L4's seen positively	25%
Mixed view of increasing L4's - better care but higher cost	14%
Neutral comment	18%
Increasing L4's seen negatively - increased costs	44%
Grand Total	**100%**
Base: those respondents who expect a change in mix of caregivers	

Topical issues

The 2019 Member Profiling survey gathered information on a range of topical issues of interest to the ARC industry. These include passing on of savings by Primary Health Organisations (PHOs) and level of unionisation. We also include an analysis of trends in facilities' certification period.

Certification period statistics

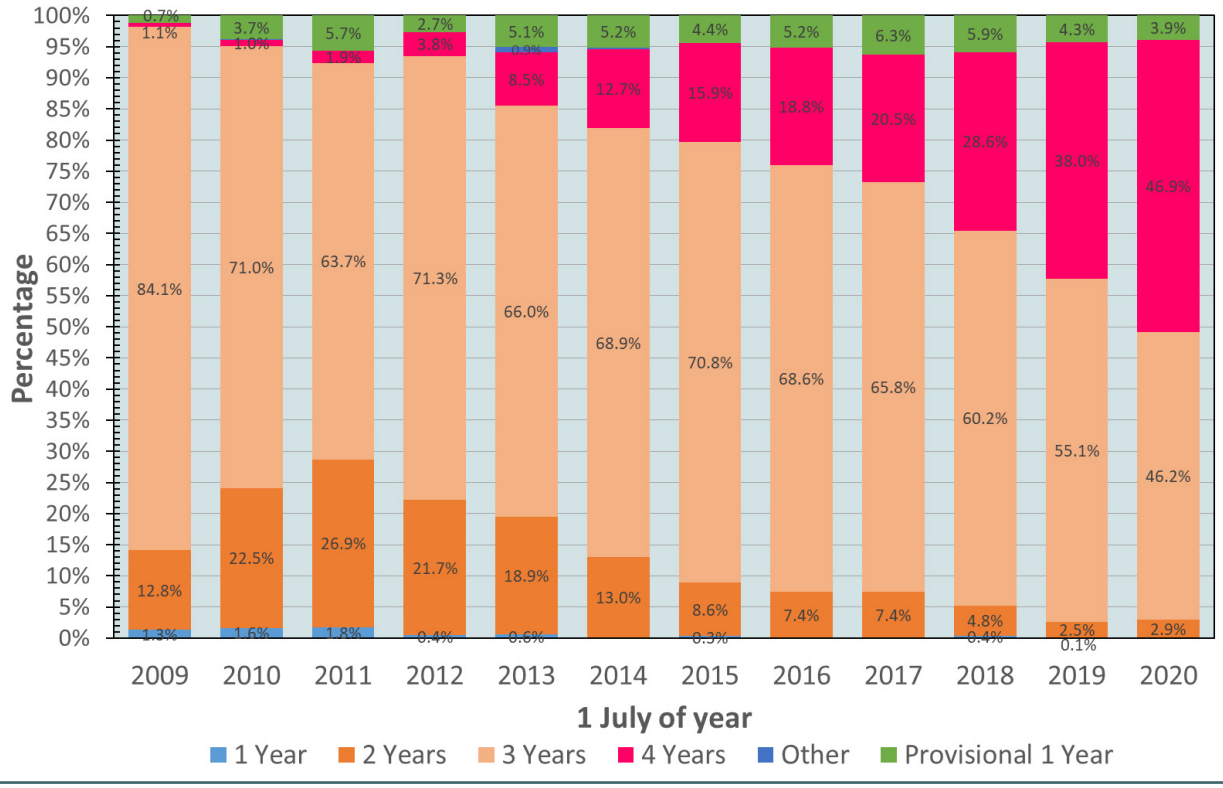
Figure 11.1 illustrates long term changes in Ministry of Health aged residential care facility certification periods.

On 1 July 2020, 47% of ARC facilities held certificates with a four-year certification period, up from 38% a year prior. Going back to 2015, only 16% of care facilities had a four-year certification period.

In the past, the great majority of ARC facilities had a certification period of three years (71% in 2015). Now the percentage of facilities with a four-year certification period (47%) is slightly greater than those with a three-year certification period (46%).

The percentages for 1 July 2020 are of the certification periods as originally issued. The extensions to some facilities' certificates as a result of COVID-19 related postponement of certification audits during March-June 2020 are excluded.

Figure 11.1: Active Aged Residential Care facility certificates by certification period



Passing on of savings by primary healthcare provider

In December 2018, Primary Health Organisations (PHOs) received a funding increase from the Government for Community Services Card (CSC) holders, reducing the consultation costs to residents in ARC for primary care services. There is an expectation that PHOs pass on these savings to ARC providers. We asked respondents to the 2019 NZACA Survey about whether their PHOs had done this or not

The most frequent response to this question was "Don't know". Among those able to give a response, 32% said that no savings had been passed by their PHOs and only 24% said they had been passed on either partially or in full (Table 11.1).

Table 11.1 passing on of savings by primary care provider

Response	Percent
No savings have been passed on our primary care provider(s)	32%
Some savings have been passed on, but not in full	12%
These savings have been passed on in full by our primary care provider(s)	12%
Don't know	43%
Total	**100%**

In follow up comments, some respondents note that GP costs are continuing to increase. One was told by their PHO that visits to ARC facilities are deemed home visits, so the funding support does not apply.

Unionisation

Respondents were asked to give the approximate percentage of their workforce that is unionised i.e. that are members of NZNO, E tū or another union. Results are shown in Table 11.2.

The median level of unionisation among nurses is 60%, for caregivers 39% and for non-managerial, non-care workers only 5%.

Table 11.2 Level of unionisation in Aged Residential Care facilities

	Registered and Enrolled Nurses	Caregivers and activities coordinators	Non managerial, non-care workers
Minimum	0%	0%	0%
Lower Quartile	40%	31%	0%
Median	60%	39%	5%
Upper Quartile	78%	47%	30%
Maximum	100%	98%	100%

New Zealand
Aged Care Association

Level 11, Petherick Tower
38-42 Waring Taylor Street
PO Box 12481
Wellington 6144
New Zealand

P 04 473 3159
E office@nzaca.org.nz
W nzaca.org.nz